



**INDIAN STATES'  
OPIUM COMMITTEE  
1927—1928**

**VOLUME I.—GENERAL REPORT**



CALCUTTA  
GOVERNMENT OF INDIA PRESS  
1928



# CONTENTS OF GENERAL REPORT.

## SECTION I—PRELIMINARY.

PARAGRAPH	PAGE.
1 The Committee's tour and the States visited . . . .	1
2 Agreed reports signed for all States except Bhopal . .	1
3 Attitude of the permanent Members of the Committee . .	1
4 Reasons for writing a General Report . . . . .	2
5 Statistical results . . . . .	2
6 Division of subject matter . . . . .	2

## SECTION II—OLD STOCKS OF OPIUM

7 Quantity and present arrangements for control . . . .	3
8 Distinction between ball and biscuit opium . . . .	3
9 Market for stocks of ball opium . . . . .	4
10 Probable future production of ball opium . . . .	5
11 Necessity of a comprehensive scheme for purchasing and warehousing old stocks of ball opium . . . . .	5
12 Conditions to be fulfilled . . . . .	8
13 Cost of production in the States . . . . .	7
14 Cost of purchasing the old stocks . . . . .	7 ✓
15 Cost of warehousing and issuing . . . . .	8
16 Interest charges and selling price . . . . .	8
17 Provisional character of present estimates . . . .	8
18 Export duty . . . . .	9
19 Inferior opium . . . . .	9
20 Stocks in Bhopal . . . . .	10
21 Stocks of biscuit opium in Kotah . . . . .	10
22 Stocks of biscuit opium in Jhalawar and Tonk . . .	11

## SECTION III.—PRODUCTION OF OPIUM IN THE STATES

### (i) AGRICULTURE

23 Extent of cultivation . . . . .	12
24 Method of cultivation, rotations, soil and irrigation . .	12
25 The liability of the yield of the poppy to fluctuate . .	13
26 The advantages of poppy cultivation to the cultivator . .	13
27 The possibility of substituting other crops for the poppy .	14
28 Comparison of the money value of crops . . . . .	15
29 Substitute crops . . . . .	16
30 Difficulties involved in substitution . . . . .	16

### (ii) FINANCE

31 Number of States financially affected . . . . .	18
32 States producing for Government Total losses anticipated if opium production is abandoned . . . . .	10

PARAGRAPH.	PAGE.
33. Loss of profit on sale of opium to Government . . . .	19
34. Loss of land revenue . . . . .	20
35. Incidence of loss upon State revenues . . . . .	24
36. Losses of Jagirdars . . . . .	26
37. States producing for export to other States . . . . .	26
38. Losses due to the closing of the China trade . . . . .	26

(iii) THE POSSIBILITY OF STOPPING OPIUM PRODUCTION IN THE STATES.

39. The attitude of the States . . . . .	27
40. Conditions of stopping opium production . . . . .	29

(iv) ALTERNATIVES TO THE DISCONTINUANCE OF OPIUM PRODUCTION IN THE STATES.

41. Production in the States for the States . . . . .	33
42. Division between the States and British India of the opium production required for India as a whole . . . . .	34
43. Conditions of opium production in the States under the latter alternative . . . . .	35

SECTION IV.—FINAL ARRANGEMENTS FOR THE SUPPLY OF OPIUM TO THE STATES FOR INTERNAL CONSUMPTION.

44. Presumption that supply will be from Ghazipur . . . . .	37
45. Conditions of supply from Ghazipur . . . . .	37
46. Conditions regarding cost . . . . .	38
47. Conditions regarding quality . . . . .	39
48. Supply depôts in the States . . . . .	42
49. Duty on excisable articles imported into the States . . . . .	42
50. Conditions required by the Bhopal Darbar . . . . .	43

SECTION V.—THE POSSIBILITY OF INCREASING OPIUM TAXATION IN THE STATES.

51. Conditions under which the Darbars are prepared to increase taxation . . . . .	43
52. Opium consumption in the States . . . . .	44
53. Conditions likely to limit the policy of high taxation . . . . .	49
54. Possible results . . . . .	51

SECTION VI.—SMUGGLING.

55. Smuggling into the States . . . . .	52
56. Smuggling from the States . . . . .	52

SECTION VII.—SUMMARY.

57. Possible results . . . . .	53
--------------------------------	----

## APPENDICES

	PAGE
1 List of States and their representatives on the Opium Committee, and the permanent Members of the Committee	55
2 Tour of the Opium Committee	57
3 Map of the Committee's tour	(Not printed)
4                                  opium in possession of merchants Central India and Rajputana,	59
5 Statement showing production of opium in the States of Central India and Rajputana, Gwalior and Baroda	60
6 Statement showing the effect upon the States' revenue of abandoning opium production	61
7 Statement showing opium consumption and taxation in the States	62
8 Summary of conditions under which States are prepared to purchase from "central stocks" the opium required for internal consumption	66
9 Estimates of the cost of producing a seer of hard opium supplied by the chief producing States	69
10 Note on the cost of staff, labour, etc., required for purchasing hard Malwa opium	71
11 Note on the estimated cost of warehousing and issuing 20,400 maunds of old opium	73
12 Calculation of the recoupment of capital expenditure of Rs 69,38,000, and the interest at 5 per cent on annual outstanding balances, by 10 annual instalments of Rs 8,84,000 and one instalment of Rs 1,76,800, i.e., by issuing 2,000 maunds at Rs 442 annually for 10 years and 400 maunds in the 11th year	74
13 Statement showing areas under poppy, total outturn and average yield per acre in the States of Kotah, Tonk and Jaora	76
14 A Statement prepared from information supplied by the Sitamau Darbar showing the present economics of a cultivator owning one plough or "samad"	77
B                                  e Tonk Darbar worked with	78
15 List of crops found on irrigated land in Central India and Rajputana	79
16 Summary of conditions under which States are prepared to purchase from the Ghazipur Factory the opium required for internal consumption, after the stocks of old opium in Central India and Rajputana are exhausted	80
17 Summary of conditions under which States are prepared to enhance the selling price of opium to a degree corresponding as nearly as possible with that in force in British India	83
18 Note on the methods of calculation employed in this Report, with a statement showing the relation of bigha to acre in each of the chief producing States	85
19 Terms of Reference of the Committee	86



# Indian States' Opium Committee.

## 1927-28.

---

### General Report by the Permanent Members of the Committee.

---

#### I.—PRELIMINARY.

**1. The Committee's tour and the States visited.**—The Opium Committee has held discussions with the representatives of 51 States. Appendix 1 to this Report gives a list of these States and their representatives on the Committee, Appendix 2 gives details of the Committee's tour and Appendix 3 contains a map showing the tour.

**2. Agreed Reports signed for all States except Bhopal.**—The Committee's Reports for individual States represent, according to the decisions made at the Simla Conference, the unanimous conclusions of the Committee as a whole including a Member appointed by the State concerned. We have formulated agreed reports with all States except one, the single exception being the State of Bhopal. It appeared to the permanent Members of the Committee that this Darbar's proposals, as advanced after full discussion by their representative, on the one hand included unjustifiable financial claims upon the Government of India and on the other hand contained no element of practical assistance towards the solution of the problems at issue. In the circumstances it was decided that no joint Report could be signed and that in its place the papers and correspondence should be forwarded to Government.

**3. Attitude of the permanent Members of the Committee.**—The individual Reports have been drawn up, for the sake of uniformity and convenience, in the same general form, but they necessarily contain among themselves a considerable variety of subject matter and treatment, this variety being dictated by the circumstances of each State and by the views of its representative. The attitude of the permanent Members of the Committee in subscribing to these individual reports requires a brief explanation. A part of the Committee's work consisted in ascertaining with as much accuracy as circumstances permitted the facts and figures relevant to the questions at issue, and the Committee in recording in the body of the Report its opinions under this head has acted with unanimity, the conclusions reached in each case representing the agreement of all four Members. A second part of the inquiry consisted in ascertaining the views and intentions of the Darbar in regard to the main questions of opium policy in the future. In discussions under this head the permanent Members of the Committee have endeavoured to secure full consideration of all relevant factors and to



suggest the adoption of lines of policy suitable to the broader issues involved; but we have necessarily failed to secure consistency of agreement on the part of the State Members. The Darbar's views as represented by the State Members vary greatly and we have subscribed to a statement of these views in the Reports without necessarily implying agreement with them.

**4. Reasons for writing a General Report.**—It seems desirable, therefore, that an attempt should be made both to summarise the results detailed in the individual Reports and to indicate the views of the permanent Members on the more important questions of future policy.

**5. Statistical results.**—The chief statistical results of the Committee's inquiries are embodied in the statements which form Appendices 4-7.

Appendix 4 contains an estimate of the old stocks of opium in the hands of merchants and private persons and also the stocks belonging to Darbars in cases in which such stocks are considerable.

Appendix 5 shows the area under poppy in each cultivating State in 1926-27, the quantity of crude opium produced, the estimated normal production in present conditions and the method of disposing of the produce.

Appendix 6 contains an estimate, for each of the States that produce on a large scale, of the immediate loss likely to be inflicted upon the Darbar's revenues under different heads if cultivation were abandoned; the extent to which this loss will be reduced by economy in establishment charges, and by the absence of illicit practices due to cultivation; and the percentage of the net loss upon the total revenue of the State.

Appendix 7 shows the estimated present consumption of the States, Estates and Administered Areas of Central India and Rajputana, of Ajmer-Merwara and of the Gwalior, Hyderabad and Baroda States, and the present incidence of consumption per 10,000 of population. It shows also, for the States included in the Committee's inquiries, the present total revenue from opium taxation; the present retail sale price per seer and taxation revenue per seer; and the taxation incidence per head of population.

**6. Division of subject matter.**—In the individual Reports it has been impossible owing to limitations of space and time to deal seriatim with each item in the Committee's Terms of Reference. The Reports include, as accompaniments, the information furnished by the Darbars in reply to the Terms of Reference, and the subject matter of the Reports themselves has been confined to the more important of the questions at issue. These were dealt with under the following heads:—

- (1) Old stocks of opium, and the feasibility of a scheme for placing these stocks under control and passing them into consumption as quickly as possible.

- (2) Production of opium in the States, including the views of the Darbar (generally stated in the Darbar's accompanying note), and an attempt to estimate the loss involved to the major producing States if cultivation were discontinued
- (3) The final arrangements for the supply of opium to the States, after the old stocks are exhausted, involving consideration of the Government of India's proposal that the States should be supplied from Ghazipur
- (4) The possibility of increasing taxation upon opium, and the probable financial results of doing so

The above four sub divisions of the whole subject matter are necessarily interconnected. The policy adopted in regard to one of them will affect the rest, so that the task of disentangling the different factors, of giving to each its due weight and of formulating any clear and comprehensive scheme for the future is beset with difficulties. In attempting this task in the paragraphs that follow we have thought it best to retain the classification into four main sub divisions already adopted in the individual Reports

## II —OLD STOCKS OF OPIUM

### 7. Quantity and present arrangements for control

—The stocks of hard opium in the States are estimated (omitting small quantities in the possession of Darbars), at 29,270 maunds (Appendix 4). Out of this total 2,830 maunds together with the small quantities not enumerated are in possession of the Darbars under State lock and key. The stocks so held are not in excess of immediate requirements except in a few States, of which Baroda is the most noticeable, and they need not concern us further. The balance of 26,440 maunds is held by merchants and private persons in conditions of control which vary considerably, the opium in the merchants' godowns being in some cases kept under the seal or lock of State officers but in others being subject only to certain account regulations and to a periodical inspection which must often be somewhat perfunctory and ineffective. No less than 17,000 maunds out of the total are held in the Mewar State, and it must be noted that the control over those stocks is nominal and that the estimate of their quantity is still provisional only, no complete or accurate enumeration having been effected (*vide* Mewar Report, paragraph 1).

### 8 Distinction between ball and biscuit opium —

In considering the question of old stocks, as also that of demand and production, it is necessary to differentiate between ball and biscuit opium. The former was the staple opium of the China trade and the closing of that trade left large stocks of ball opium in the hands of merchants and private persons. The supply thereafter being much in excess of the demand the value of this opium has

declined greatly in recent years, the price realised per chest of 140 lbs. being Rs. 1,800 in 1918 compared with Rs. 600 or less at the present time. The current price is in fact below the cost of production, and the present tendency in States that consume ball opium is to obtain their supplies increasingly from the old stocks rather than by new production. The manufacture of this opium has however been kept alive by three factors; first, the fact that some consumers prefer a comparatively soft opium, recently matured; secondly, the fact that some States have retained through habit or for political reasons the production of opium even when it has ceased to be economically justified; and thirdly, the fact that the States which supply opium to Government retain and manufacture into excise balls or cakes the opium rejected as unsuitable for Government use. On the other hand the demand for biscuit opium has, we believe, been confined always to certain States of Rajputana. It is consumed in the western States of Jaisalmer, Bikaner, Jodhpur, Sirohi and Kishangarh; in three quarters of Jaipur; in Ajmer-Merwara; and of the eastern States in Bundi and Kotah and about half of Karauli. Biscuit opium is produced mainly by Kotah but to some extent also by Tonk and Jhalawar. The market has not been influenced, like that of ball opium, by the existence of excessive stocks, and the price is consequently governed by the present cost of production and is higher than the price of old ball opium. It rules at present from Rs. 13 to 15 per seer compared with Rs. 7 to 9, the present cost of old ball opium. The stocks are probably more than the trade actually requires, on account of failure to regulate production in Kotah, but they do not amount to much more than three years' demand.

**9. Market for stocks of ball opium.**—The stocks of hard ball opium in the hands of merchants and private persons are estimated at 20,400 maunds (Appendix 4, column 2). The present annual demand for this opium is about 2,200 maunds (Appendix 7), so that if there were no new production the stocks would suffice for about  $9\frac{1}{2}$  years. The demand, however, is partly met by new production and in order to estimate the extent to which this is likely to occur in future it is necessary to analyse the figures given in Appendix 5. In 1926-27 there were 24 opium producing States and the outturn of crude opium was 11,686 maunds. Thirteen out of the 24 States produced for an external market, 10 sending opium to the Ghazipur Factory, one (Tonk) producing both for Ghazipur and for export to other States and two (Kotah and Mewar) producing for export to other States. The Mewar State has now, however, prohibited cultivation for opium, so that the States which normally produce for an external market are now 12 in number. The remaining 11 States produced in 1926-27 for their own internal consumption only. Two out of these 11 have since prohibited cultivation and 7 have in our discussions agreed under certain conditions to discontinue opium production, as a temporary measure, in order to facilitate the absorption of the old stocks; one State (Baroda) is unwilling to discontinue production; another (Banswara) has agreed to reduce culti-

vation by 50 per cent to 100 acres. Assuming therefore, as the present basis of calculation, the continuance of cultivation by 12 States in the first category and 2 in the second, the output estimated as normal in the future is found to be 9,333 maunds of crude opium (column D of Appendix 5). Of the total 6,450 maunds represent production for Government under the present agreements, 2,381 maunds represent biscuit opium produced for internal consumption in the States and 502 maunds represent production of ball opium for the States. But it must be noted that the States which produce for the Government of India retain annually for internal consumption a certain quantity of opium which is rejected as unsuitable for the Ghazipur Factory or in excess of the quantity specified in the agreement with Government. The quantities so retained vary with the season and cannot be exactly calculated, but they serve to increase the real total of opium produced in the States for consumption in the States. We may perhaps allow about 100 maunds for this factor, thus increasing the annual estimated ball output from 502 to 600 maunds of crude opium, representing nearly 450 maunds of hard opium.

At this rate of production the annual demand upon the old stocks of ball opium would be reduced to 1,750 maunds and about  $11\frac{1}{2}$  years would pass before the old stocks were consumed.

**10 Probable future production of ball opium**—We anticipate, however, that whatever may be the final settlement in regard to opium production in the States, the production of opium for consumption in States that use ball opium will in future be somewhat less than 450 maunds in the mature form. There appear, for reasons to be developed in later paragraphs of this Report, to be two probable alternatives. Either production in the States will be discontinued altogether, or production will continue under some arrangement which will give the States a definite share in supplying the opium demand of India as a whole. In the former case the opium demand of the States using ball opium can be concentrated entirely upon the old stocks, until they are exhausted, this would happen as stated above, in about  $9\frac{1}{2}$  years. In the latter case it will be possible, we think, to make it a condition of the settlement that the States shall cease to manufacture ball opium for consumption in the States until the old stocks are exhausted. If an agreement of this kind were effected with the major producing States, production of ball opium for internal consumption would continue only in Baroda and Banskara, and the total produced (allowing also for the retention of rejected or excess opium) would probably not exceed 160 maunds of crude opium equivalent to about 120 maunds of hard opium. The demand upon the old stocks would then be roughly 2,000 maunds annually and the stocks would disappear in a little more than 10 years.

**11 Necessity of a comprehensive scheme for purchasing and warehousing old stocks of ball opium**—We thus anticipate for the old stocks of ball opium a market in the consuming States of 2,000 to 2,200 maunds annually, which would

purchase price (including purchasing expenses) as high as Rs. 578 per chest, equivalent to Rs. 8-8 per seer or Rs. 340 per maund. The price to be paid for 20,400 maunds will then be Rs. 69,36,000. The cost of purchasing, establishment, etc., according to the rough estimate given in Appendix 10, will be about Rs. 3-4 per maund, and the railway freight to the warehouses (assuming them to be in Central India) and labour charges may bring the purchasing cost up to Rs. 6 per maund. This comparatively small item is assumed (as stated above) to be included in the purchase price of Rs. 340 per maund. The time required for purchasing, if the operations are continuous, is estimated in Appendix 10 to be about 16 months. Payment should be made to the owners as soon as the testing and purchasing operations are complete in each individual case, and it will be desirable to arrange financial provision in such a way that this can be done and that the operations can be carried on from one financial year to another without intermission.

**15. Cost of warehousing and issuing.**—It will be necessary to provide godown accommodation, a watch and ward establishment and an issuing establishment. It is probable that suitable godowns for the Mewar opium could be hired at Neemuch, and the remainder could be warehoused in the present Government godown at Indore. A rough estimate of the cost involved is given in Appendix 11; it amounts to Rs. 17,490 annually. If 2,000 maunds are issued annually, according to the lower estimate given in the first sentence of paragraph 11 above, the cost of warehousing and issuing may safely be reckoned as a charge not exceeding Rs. 10 upon every maund issued.

**16. Interest charges and selling price.**—The remaining item to be considered, and by far the most serious in its incidence on selling price, is the interest charge on the capital expenditure of Rs. 69,36,000. On the assumption that interest will be chargeable at 5 per cent. annually on the outstanding balances, and that issues will be 2,000 maunds annually for 10 years and 400 maunds in the 11th year (thus totalling 20,400 maunds), a selling price of Rs. 442 per maund will almost exactly recoup the capital and interest charges, as shown in Appendix 12. It thus appears that if the underlying assumptions in regard to the quantity of opium to be purchased, the purchase price, the interest to be charged on capital, the establishment expenses and the annual sales are accepted, then a selling price of Rs. 452 per maund (including the Rs. 10 set off against establishment charges) will place the scheme on a sound financial basis. The price is less by Rs. 68 per maund than the maximum limit of Rs. 520 indicated in paragraph 13. There is thus an ample margin to meet the freight and insurance charges from the godowns to the consuming States. Such charges are not likely to exceed Rs. 10 per maund and will generally be much less.

**17. Provisional character of present estimates.**—It cannot of course be claimed at this stage that the calculation given in Appendix 12 represents anything more than a rough guide to financial results. The actual quantity of the Mewar stocks is itself

still a matter of uncertainty. The purchasing of the opium would probably take more than a year to complete, so that interest would not in fact be chargeable on the full capital expenditure from the first year. The extent of the annual demand is also a matter that can only be determined exactly by actual experience. When these factors are more fully known it will be the task of expert accountancy to determine what selling price is required. We claim to demonstrate only that in the light of present knowledge, and upon a conservative estimation of the factors involved, it appears that Government could safely undertake to find the necessary capital.

**18. Export duty.**—The calculations given above assume that the States in which the stocks are held will forego the customs duty at present levied on opium exports. This question was discussed with the Mewar representative, who however was able to commit the Darbar only to a reduction of the duty from Rs. 100 to Rs. 50 per chest, "without prejudice to a further discussion of this point when the scheme has been placed upon a more definite basis" (Mewar Report, page 3). If the Darbar insisted upon a levy of Rs. 50 per chest on 10,000 chests, the cost of purchase would be increased by Rs. 5 lakhs, and the financial basis of the scheme would be materially affected. We cannot suppose that the Darbar will in fact insist. The scheme is calculated to put into the pockets of merchants and private persons in the State some Rs. 57 lakhs, in exchange for a commodity which is nearly unsaleable at the present time and is losing market value with every year that passes. The setting free of this capital for profitable uses must greatly increase the prosperity of the State; and this is likely to react favourably upon the Darbar's revenues from customs imports. Moreover when the stocks are brought under control the Darbar will be able, and will doubtless take steps, to obtain excise revenue from opium consumption. By imposing taxation of only Rs. 10 per seer consumed a revenue could probably be obtained exceeding Rs. 1 lakh. The Darbar's export duty on opium on the other hand has averaged in the last five years only Rs. 30,840 annually. It should, we think, be made plain at the outset of any negotiations with the States in which stocks are held that a claim to export duty on the opium purchased by Government cannot be conceded. Two of the consuming States (Rewa and Bikaner) have themselves insisted upon this stipulation as a condition of purchasing from the central stocks.

**19. Inferior opium.**—It is possible that some of the old opium will be found to be much adulterated and inferior in morphine content. Whether age in itself produces a loss of morphine content appears to be a question still undecided; we believe that recent experiments tend to show that opium even 20 years old or more may give a comparatively high morphine content. However it is fairly certain that the old stocks contain a proportion, and perhaps a high proportion, of definitely inferior opium, and any scheme for wholesale purchase must take this factor into account. The difficulty clearly cannot be solved by rejecting the bad opium and leaving it in the owners' hands. To do so, when all avenues of

legitimate sale are simultaneously closed, would merely invite illicit disposal. It seems necessary therefore that no opium should be rejected out-right, that the price should be adjusted to morphine content and that (if it is possible) a distinction should be drawn as regards adulterated opium between adulteration which is harmless from the consumer's point of view and that which definitely makes the opium unfit for consumption. Adulterated opium of the second class would be paid for at a rate based upon its value for extraction of alkaloids and might be sent to the Ghazipur Factory for that purpose. Opium fit for consumption might be graded according to morphine content and the issue price adjusted according to the grade. It seems probable that some States will be ready to purchase the weaker grades on account of their cheapness. In the Hyderabad State consumers have long been accustomed to opium with a low morphine content and it appears that a low content has actually been prescribed by the State in its contract for supply. If the selling price is graded in this way, the price of Rs. 452 per maund arrived at in the calculations in paragraph 16 above will represent the average price charged.

**20. Stocks in Bhopal.**—We have to note one further point in connection with the scheme of purchasing old stocks of ball opium. Stocks amounting to 539 maunds are held by merchants in the Bhopal State. They are not secured by proper arrangements for State control and instances have occurred of theft and smuggling from these stocks. The Darbar have represented on several occasions in the past their desire that Government should purchase the opium. In our discussions with the Bhopal representative the condition was however imposed by the Darbar that if the stocks are purchased the State shall receive from the Government of India, in addition to the purchase price paid to the merchants, a sum equivalent to one-half of the taxation revenue that would be realized on the sale of the opium if it were sold in a province of British India. In other words the Darbar claim, in addition to the market value of perhaps Rs. 8-8 per seer, or Rs. 1,83,260 altogether, a taxation value of perhaps Rs. 43 per seer, or Rs. 9,27,080 altogether. (Rs. 43 represents half the average present taxation revenue of the Bombay Presidency, the United Provinces and the Central Provinces.) We are forwarding to Government a correspondence with the Darbar's representative which contains a full discussion of this very surprising demand. So long as it is maintained there can of course be no question of purchasing these stocks. The Darbar have signified also that they are prepared to warehouse the opium only if it is subsequently purchased by Government on the terms stated above. We can only record, with regret, our failure in this instance to obtain any measure of co-operation from the Darbar.

**21. Stocks of biscuit opium in Kotah.**—The stocks of biscuit opium amount to 6,040 maunds, out of which 5,351 maunds are the property of Kotah merchants. The estimated annual consumption of biscuit opium in the States is about 1,900 maunds. The attitude of the Kotah Darbar in regard to their stocks is perhaps

not unfairly summarized by saying that they would like to see the merchants relieved of surplus stocks but are strongly opposed to the closing down or restriction of the trade or to the stopping or restriction of the cultivation in the State from which the trade draws its supplies. They are prepared, however, to insist upon the manufacture and export of opium by licensed dealers being carried out in future in State godowns under State supervision. We see no reason at present to advocate the purchase of these stocks by a central authority. If manufacture of biscuit opium in the State ceases, the stocks will be automatically absorbed within a few years. If manufacture continues, it seems reasonable to require that the Darbar should take the necessary steps to diminish the stocks, by temporarily restricting cultivation, and to bring them into adequate control. The control is not in fact likely to be satisfactory until the licensed wholesale dealers are abolished and the full State monopoly system is introduced, the crude opium being handed over by the cultivators to State officials and the manufacture being taken over by the Darbar. That, however, is a course which the Darbar do not at present admit to be practicable. It is worth noting in this connection that biscuit opium appears to be manufactured by some dealers out of ball opium which is broken up, softened and remade in biscuit form. This is a process which might conceivably be applied in the Government godowns to a part of the stocks of hard ball opium. If this could be done successfully, the resulting biscuit opium could be supplied to some of the biscuit consuming States and the market for the old stocks of ball opium could thus be enlarged. It is not impossible that the Kotah Darbar, when faced with the possibility of thus losing a considerable part of their normal market, might as a condition of retaining it be able to reconsider their position, to restrict cultivation until the old stocks were absorbed and then to cancel their wholesale dealers' licenses and enforce a State monopoly of manufacture.

## 22 Stocks of biscuit opium in Jhalawar and Tonk

—There are also stocks of about 300 maunds of biscuit opium in Jhalawar and about 350 maunds in Tonk. Manufacture in the Jhalawar State has been carried out in the past mainly from imported opium. The Darbar have now prohibited import, so that the manufacture of biscuit opium is likely in future to be restricted to very small dimensions, the only material being crude opium which has been produced in the State and rejected as unsuitable for Ghazipur. The stocks will probably disappear in a few years, and the Darbar are prepared at once to warehouse the stocks and to permit future manufacture only in a State godown. In Tonk there is a regular export trade to other States of both ball and biscuit opium, supplied by cultivation in the Chhabra pargana and carried out under the licensed dealer system. The trade is not very large but it is valued by the Darbar, who are prepared, if it continues, to enforce the State monopoly system of production and manufacture. The old stocks of biscuit opium in both States will thus in any event be absorbed or brought under control before very long.



## III.—PRODUCTION OF OPIUM IN THE STATES.

## (i) AGRICULTURE.

**23. Extent of cultivation.**—The figures of cultivation in 1926-27 are shown in Appendix 5. Three of the States which cultivated in that year have now, however, abandoned cultivation, and seven others have provisionally agreed to abandon it. There remain 14 producing States with an estimated normal area under poppy of 36,866 acres and an outturn of 9,333 maunds of crude opium. The States may be classified as follows:—

	Acres.	Maunds.
1. Gwalior, Indore, Partabgarh, Jaora, Sitamau, Jhalawar, Tonk, Ratlam, Dewas Junior Branch, Sailana and Piploda, producing for the Government of India .	26,545	6,450
2. Kotah and Tonk, producing ball opium for States' consumption .	1,710	445
3. Baroda and Banswara, producing ball opium for their own consumption only .	321	57
4. Kotah and Tonk, producing biscuit opium for States' consumption .	8,290	2,381
<b>TOTAL</b> .	<b>36,866</b>	<b>9,333</b>

**24. Method of cultivation, rotations, soil and irrigation.**—It is not necessary for the purposes of this Committee to detail at length the operations of poppy cultivation. A considerable amount of literature is available on the subject. The seed is sown about November in small beds about 6 feet × 4 feet and the poppy gets from 7 to 8 waterings. Garlic, onion, etc., are sown on the small bunds between plots and sometimes other plants are sown with the poppy and removed when the poppy gets bigger. Seed is sown broadcast and thinning takes place when the young plants are close together. The surface of the soil is kept friable by hand and the skin or "papry", left after irrigation, is broken by hand cultivation. The capsules when ripe are lanced by special four-bladed knives and the "chik" scraped off.

It is usual in Central India and Rajputana to grow maize in *kharif* and poppy in the same land in *rabi*. This rotation may continue year after year on the same land, fairly heavy manuring being carried out. On some land "sun" hemp is grown as a manurial crop in *kharif*. Poppy is sometimes grown after *bajri* on light land and it is also found in the ground in which sugarcane has been sown.

Generally opium is cultivated on a good class "garden soil". In Baroda it was found that poppy was grown on very light sandy soil of poor quality to which numerous waterings were given. The poppy plant seems to be very adaptable but prefers rich well drained loam.

In most cases the poppy is irrigated from wells which are equipped with *mots* for raising the water. A detailed description of the *mot* is unnecessary as it merely consists of a leather bucket which is drawn up the well by bullocks walking down a ramp. The wells throughout the poppy growing tract are very apt to run dry, the expense of water raising is heavy and one well is generally said to irrigate only 2 to 4 acres giving some 8 irrigations during the *rabi* season. Owing to the restriction in area in recent years poppy is now generally confined to the best of the irrigated villages. In practice a cultivator usually has both irrigated and non-irrigated lands in addition to grazing rights on common lands. Non-irrigated lands generally grow *kharif* crops such as *jowar*, *bajri* and cotton and sometimes, in *rabi*, wheat, while a cultivator concentrates most of his manure on the irrigated portion.

**25. The liability of the yield of poppy to fluctuate.**—Poppy on the whole seems to be a hardy crop and not subject to mycological or entomological enemies. Unseasonable rain delaying sowing or preventing cultural operations sometimes does considerable damage. Severe frost is also dreaded. Figures of actual outturns supplied by three representative States are given in Appendix 13. The period for poppy cultivation begins from October and ends by the month of March, i.e., just after the rainy season is over and before the summer sets in. This period for poppy cultivation is the best and the most suitable one. Although the yield does fluctuate owing to seasonal conditions, viz., frost, excess of winter showers or deficient rainfall as also hail storm, all of which adversely affect the crop, yet these calamities equally affect other crops. From figures supplied by the Tonk State for 22 years (Appendix A to the Darbar's Note accompanying the Tonk Report) it appears that the average yield per bigha in this period was 5 seers 14 chhataks, the maximum being 13 4 seers. The result of an examination of the figures is inconclusive. The only year (1909) where there was no frost or hail there was a bumper crop, averaging 13 4 seers, but in 1911 when there was no apparent reason for a bad year the average was only 4.15 seers per acre. Drought appears to be the serious danger, as shown by the year 1912 with a yield of 1 11. The only conclusion that can be drawn from the figures is that opium is in most cases neither more nor less susceptible than other *rabi* crops, and is less susceptible to frost than *dhania* which is being grown as an alternative crop.

**26. The advantages of poppy cultivation to the cultivator.**—Apart from the question (discussed in the next paragraph) of the higher money value of poppy compared with other crops, the following advantages are noted.

(1) The great advantage which poppy has over all other crops to the cultivator in Central India and Rajputana is that he receives in cash the price for the "chik" or crude opium on delivery to the State official. This price is uniform year by year and does not fluctuate like that of other crops, especially export crops. All other crops are sold to middle-men and the transaction is generally bound

up with money lending business. This ready money supply is a very important item in the cultivator's economic circumstances. For other cultivation he must borrow money to finance his operations and he frequently has to sell his produce to the money lenders and so is hit in two ways. Even a small area of poppy and the consequent supply of ready money is valuable to him and it enables him to finance his other cultivation. The absolute extinction of poppy cultivation is thus a serious matter to the cultivator and the value of poppy cultivation increases as the area diminishes. It is not correct to say that because there has been a great decrease in the area of poppy cultivation without very visible harmful effect then therefore poppy cultivation can be totally extinguished without considerable damage.

(2) The more crops that the cultivator has got the better is his financial state. If all his eggs are in one basket naturally his financial state is more precarious and the extinction of one really useful crop is quite a serious matter.

(3) Poppy seed contains a valuable edible oil and is a useful 'drying paint oil'. There is a considerable export as well as a local demand. The value is increasing as the area under poppy is decreasing. Evidence before the Committee shows that up to 8 maunds of seed can be produced per acre in addition to the opium and this may fetch Rs. 8 a maund.

(4) It is customary to grow, as already stated, subsidiary crops along with the poppy such as garlic, cumin, fenugreek, etc. Much importance has been put on this point by most States, but the value of these subsidiary crops is generally exaggerated and in any comparison with other crops it must be remembered that subsidiary crops can also to a certain extent be grown with them. It seems to be generally considered among cultivators that poppy cultivation has a manurial effect on the soil and that better crops are produced in the land in which poppy is cultivated. This view is probably due to a misconception between cause and effect. The cultivator generally manures the poppy to the best of his ability and cultivates his ground as well as he can. The fertility of the land is increased by these means but not by the poppy growing. Except a little humus which is returned to the soil by the falling of leaves and by the roots there is no manurial effect; on the contrary, when the seed is exported there is a heavy drain on the land.

(5) The young poppy plant is also edible and is used in the form a spinach. The plants weeded out during the thinning operation are used for this purpose.

**27. The possibility of substituting other crops for the poppy.**—This raises first of all the question whether it is possible to replace the poppy with other crops equally paying to the cultivator. The question has been discussed at length with all the more important producing States. In the earlier Reports the point was reserved for further consideration after the Committee had been able to visit the chief poppy areas and to arrive at provisional conclusions. It became apparent, however, as the discussions with

producing States progressed, that there was no prospect of the Committee as a whole (including the State's representative) being able to formulate any agreed conclusions on the subject. It was decided finally, as the best method of focussing and presenting to Government the views of the different producing States, that a Note on the subject by Mr Henderson (representing the views of the permanent members of the Committee) should be circulated to the States, that they should be invited to express agreement with or to criticise the Note, and that the Note with the States' replies should be forwarded to Government along with the individual Reports. This has accordingly been done. The conclusions which we record below are in the main an amplification of those already advanced in Mr Henderson's Note.

**28 Comparison of the money value of crops**—All the chief producing States have given figures showing the loss to the cultivator of substituting other crops in the areas at present under poppy. These statements which will be found either in the accompaniments to the individual Reports or in the replies to Mr Henderson's Note, in most cases go into considerable detail, but on the whole they cannot be said to carry much conviction. In fact in many cases the figures given are wholly inaccurate. In actual practice when poppy is stopped, in good garden land, a mixture of crops take its place. By garden land is understood land which is suitable and generally used for growing garden crops, i.e., minor irrigated crops in contradiction to the major staple crops. It is fairly obvious that as subsidiary crops are already grown along with the poppy the subsidiary crops are suitable for the land and have a local market. The States have generally based their figures of loss by comparing with the poppy crop rotations which are improbable and against the rules of good husbandry, such as maize and wheat grown in successive years. In one case fallow in *Iharif* and wheat in *rabi* were shown as substitutes, and the figures given made out that if poppy were left out of the poppy rotation, and only maize in *Iharif* and subsidiary crops grown, the resulting yield would be greater than the substitute rotation, i.e., the poppy side lines without the poppy were shown to give more profit than if the land were sown in staple crops. This result is clearly absurd. The difficulty of accepting the States' figures is shown again in the two statements, reproduced in Appendix 14, which contain examples based on the figures supplied by two States, Sitamau and Tonk, of the economics of typical holdings. In statement A (of Sitamau) the total profit made by a cultivator with an average holding of about two acres irrigated and 20 acres dry crop is given as about Rs 162. On the other hand in statement B of the Tonk State, which certainly has not the reputation of having such fertile land as that of Sitamau, the profit of a cultivator from a similar holding is put at Rs 304. Such examples can be multiplied indefinitely.

It is not, in fact possible to give a definite figure in rupees per acre which would represent the loss to the cultivator from the stoppage of opium cultivation and the substitution of any crop or crops,

The factors which govern the substitution vary not only from State to State but even from village to village. To draw up figures for each village through the whole of the present poppy growing area would involve an expenditure of time and labour altogether beyond the powers of the Committee. It would probably entail more work than an ordinary Settlement Revision, for which, in a single State only, an expert and highly paid official is generally on special duty for some considerable time. Even in a single village a comparison between the value of opium and that of other staple produce will be affected by market fluctuations. While the money value of opium remains fairly constant—a fact which itself gives the poppy a great advantage to the cultivator—that of other staples and especially of the chief export crops depends upon market conditions which may vary greatly from one season to another. An exact assessment of comparative economic results would therefore be difficult in a limited area; it is quite impracticable in the case of a large number of States embracing wide varieties of agricultural and economic conditions. It is only possible, in dealing with this subject, to indicate in general terms what substitute crops are available and what are the chief difficulties that stand in the way of substitution.

**29. Substitute crops.**—We consider that there is no single crop under ordinary conditions which can be immediately and profitably substituted for the poppy. Inspection of poppy areas does however reveal a large number of alternative irrigated crops which are cultivated at the present time. Appendix 15 contains a list of 42 varieties of crops actually found growing on irrigated land in Central India and Rajputana. It is obvious from this list that there is a considerable amount of material for selection under different conditions. The more important of the substitute crops may be placed in the following order—cane, cotton, chillies, groundnut, tobacco, wheat, onions and garlic, general vegetables and umbelliferae of various kinds. Given proper advice, seed and marketing facilities, there seems to be no reason why a mixture of staple and garden crops should not be grown in place of the poppy; and when the substitution has been effected, it will probably be found that the cultivator's profit is not seriously diminished. His position will in fact be stronger if in place of a single predominant irrigated crop, the market for which is uncertain and tends to diminish, a large variety of crops and rotations is eventually substituted. But the process of substitution is by no means easy, and until it has been successfully carried out the cultivator will unquestionably suffer loss.

**30. Difficulties involved in substitution.**—It is evident in the first place that the substitution on anything like a large scale of one crop for another must be attended by considerable economic difficulty. It has to be a gradual affair. For example take the case of sugarcane. The seed required for an acre of cane weighs about 50 maunds and it is perishable and difficult to transport. For making this cane into *gur* mills are required and pans for boiling. Consequently the "bandobast" required for growing,

say, 500 acres of cane in a new district is very considerable. The same applies to other crops to a larger or smaller degree.

The cultivator will also have other difficulties to face during the transition stage. The chief obstacles to substitution may be classified under the following heads:—

- (1) *Superstitions and prejudices of the cultivators.*
- (2) *The inferiority of the wells.*
- (3) *The local State Customs Tariffs.*
- (4) *Want of knowledge, technique and supply of suitable seed.*
- (5) *Difficulties in marketing produce.*

(1) *Superstitions.*—The cultivators seem to have, in Central India and Rajputana, some very rigid superstitions and traditions. For example, it is considered unlucky in some places to grow chillies; tobacco is often only grown by one particular caste; turmeric is considered to be very unlucky. The eradication of these superstitions needs a considerable amount of propaganda work.

(2) *Wells.*—In many cases the wells practically run dry in April and May. This creates a difficulty for the cultivation of sugarcane. Some of the new Coimbatore canes might be found suitable for *gur* making. They can grow with much less irrigation water. Some work has been done with cotton suitable for irrigation and Pusa wheats have penetrated into many States, generally in a very deteriorated condition.

(3) *Customs Tariff.*—Nearly all States have an internal Customs system which bears hardly on cultivators and prevents them from obtaining the proper market prices for their produce. In some cases the export of wheat, etc., is prohibited. This acts very harshly on the grower while benefiting the town dweller. It was found in one case that there was a duty of Rs. 1-8 per maund on 'kapas' or seed cotton, which is a terrible burden for cotton to bear. Many States have State gins to which all the *kapas* must be sent.

(4) *Want of knowledge and good seed.*—For want of knowledge and good seed the general standard of agricultural technique in the States visited is considerably below that found in the better parts of British India. A great deal of propaganda is urgently required, also seeds, agricultural implements and general care for the production of clean produce. There is urgent need for the supply of good seed true to type of all kinds. The smaller States specially have great difficulty in getting proper seed. For example, in the present year damage by 'rust' in wheat has been very extensive, especially in Bundelkhand. Where Pusa rust-resisting wheats were grown the damage was nominal. One State gives evidence to show that the growing of Pusa wheat meant an increased gain to the State in the present year of two lakhs of rupees. Much could be done by "line" sowing instead of broadcasting. Simple iron ploughs and wooden drills and intercultural implements are required.

It may be added that while visiting the States the cattle population was carefully observed and it was found that some areas had most excellent raw material, but mixing and consequent deterioration is going on rapidly.

It is true that some of the States have agricultural departments, but the efficiency of these seems to vary considerably. The existence of a large number of non-co-ordinated agricultural departments scattered over Rajputana and Central India is not a sound proposition. Even under the best conditions the areas are too small and the want of inter-State communication is badly felt.

(5) *Marketing*.—Before much improvement in the agriculture of the tract under observation can be accomplished market facilities will have to be established for agricultural produce. Those States which put a very heavy customs duty on staple agricultural crops are really hitting at the base of their State prosperity, as they are depriving the cultivator of the benefit of outside markets.

## (ii) FINANCE.

**31. Number of States financially affected.**—The estimated effect upon the States' revenues of abandoning poppy cultivation is shown in Appendix 6. States that cultivate for their own internal consumption only are not included in this Appendix, nor do the individual Reports of these States contain a detailed examination of the profit or loss from cultivation. We believe, as stated in paragraph 8 above, that opium production in their case is not in fact economically profitable; because the cultivation is too small to affect land revenue returns or to benefit the cultivator to any appreciable extent, and because so long as stocks of old opium are available it is cheaper to purchase from the old stocks than to produce. The States that produce opium for an external market stand in a very different position. Cultivation being now prohibited in Mewar, the number of these States is twelve, eleven of which (including Tonk) produce for government and two (Tonk and Kotah) produce for export to other States. The Ratlam Darbar have recently entered into a contract for five years to supply opium to the Hyderabad State. Should the Darbar enlarge their cultivation for the purpose of this contract—as they claim the intention of doing—then there will be three States producing for an external State market. As however cultivation in Ratlam (alone of the States that produce for Government) has never hitherto sufficed to produce the full quota prescribed in the agreement with Government, and as the purchase of hard opium to meet the contract is more profitable than its production in the State, it is unlikely that Ratlam will produce opium for supply to Hyderabad within the five years of the present contract. We have therefore to consider, at present, the case of twelve States, eleven of which produce for Government and two for consumption in the States. The former class may be considered first.

**32 States producing for Government Total losses anticipated if opium production is abandoned**—Appendix 6 shows that the total revenues of the 11 States that produce for Government are approximately Rs 3,70,00,000 and that the total loss involved in abandoning this production is estimated at Rs 7,60,000, or 2.1 per cent of the revenues. It is calculated that the gross decrease in State revenues will be Rs 9,03,000, but that this loss will be reduced by Rs 1,43,000 by reductions in establishment charges and by the gain in excise opium revenues to be expected if cultivation ceases.

**33 Loss of profit on sale of opium to Government.**—The chief item of loss (Rs 7,38,000) is that of the States' profit on the sale of opium to Government. The profit averages at present from Rs 2 to Rs 3 per seer of crude opium sent to Ghazipur, and represents the difference between the Factory valuation and the price paid by the Darbars to the cultivators. It has been recognised, since the scheme of production for Government was started, that the States were entitled to receive a margin of profit. Its justification therefore is not likely to be challenged, but it may be noted in passing that this profit when analysed from the point of view of the previous history of opium production in the States resolves itself into the three components of land revenue, middleman's profit and export duty. The element of land revenue appears in the case of certain States which levied, in the time of the China trade, a special cess upon poppy cultivation but abandoned the cess when cultivation temporarily ceased about the year 1913. In a few other States there was no special cess but in land revenue Settlements effected during this period of non production the irrigated rates, previously pitched high in view of the profits of poppy cultivation, were reduced. When cultivation was resumed in 1916-17 the poppy cess was not reimposed or the general irrigation rate increased, but the States retained instead a larger share of the sale price of the crude opium by paying the cultivator less. As a concrete example, a State which previously levied a cess upon poppy lands of Rs 8 per acre might decide instead of the cess to retain out of the sale price received from Government Rs 3 instead of Rs 2 per seer. On an average production of 8 seers per acre the cultivator would thus, by losing Re 1 per seer, be paying the exact equivalent of the previous cess. Specific instances of this arrangement are quoted in the next paragraph. As regards middleman's profit it was made a condition of production for the Government of India that the State monopoly system should be enforced. The wholesale dealers who, in the days of the China trade, collected the crude opium from the cultivators were therefore replaced by State officials. As regards export duty, this was levied by the States in the time of the China trade at varying rates on every chest of opium sent to Bombay or to other States. It was agreed in 1916-17 that this export duty should not be charged upon opium sent to Ghazipur. The Darbars consider the profit upon sales of opium to Government to be in part a substitute for the small export



duty which they regard as rightfully claimable; and in view of the immense profits made by the Government of India as exporters of opium it is not easy to challenge the equity of this claim.

**34. Loss of Land Revenue.**—(1) The loss of land revenue anticipated if production for Government were to cease amounts to Rs. 1,34,000. The calculation of this item has been by no means easy; and the total would be higher if in some States land revenue had not been replaced, as explained in the preceding paragraph, by the Darbars taking a larger margin of the price paid by Government for the opium. The actual loss of land revenue will occur chiefly in those States which still retain high irrigated rates based upon the profits of poppy cultivation. But many Darbars have also argued, and we think with justice, that if poppy cultivation is stopped a certain amount of land at present paying irrigated rates will revert to dry crops. The question of land assessment is important not only in its direct bearing upon the Darbars' revenues from poppy cultivation but also because it gives indirect evidence of the cultivators' profits and of the effect of prohibiting poppy in reducing the total of land under irrigation. It seems worth while, therefore, to reproduce from the individual Reports and their accompanying statistics the more important evidence placed before the Committee in this connection.

(2) In the Gwalior State prior to 1913 the assessment on poppy lands is stated to have been higher by Rs. 16 per acre than the assessment on other irrigated lands. This cess however was not reimposed when opium production for Government was started in 1916, the Darbar deducting instead a full Rs. 3 per seer from the purchase price paid by Government.

(3) In the Dewas State, Junior Branch, the irrigation rate charged on land cultivated with the poppy is stated to be higher by Rs. 6 to 7 per acre than the rate for other irrigated land.

(4) In the Jaora State a Settlement was carried out in 1912-13, the year in which the China trade ended. The Settlement of that date took no account of the profits of poppy cultivation in assessing the ordinary rates of rent on irrigated land, but provided that in the event of any land being cultivated with poppy a special additional assessment varying from Rs. 8 to Rs. 9-9 per acre should be levied. The Darbar however have foregone this extra cess upon lands cultivated with poppy for the purpose of the agreement with Government. Instead they deduct Rs. 3 per seer from the purchase price paid by Government, and out of the total so realized they credit in the accounts Re. 1 to land revenue and Rs. 2 to profit on the production of opium for Government.

In this State between 1916 (the year of least opium production) and 1926 the number of wells increased by 17 per cent; but the number of wells in existence in the time of the China trade could not, unfortunately, be ascertained.

(5) In the Ratlam State there was a special cess, in the days of the China trade, of Rs. 8 per acre on land cultivated with the poppy. When cultivation was resumed for Government this cess

was not reimposed, but in its place an extra assessment of Rs. 4 per acre was imposed upon all irrigated land, on the understanding that a cultivator with irrigated land in his holding could exercise the right of growing poppy. Nevertheless poppy cultivation in this State has never been equal to the Government demand, and it amounts at present to about one-tenth only of the irrigated area. This example is interesting as showing, first, that poppy lands could no longer in the Darbar's opinion bear the special poppy cess, and secondly, that even when no special cess was imposed but all irrigated lands were given equal treatment the poppy did not make special head-way. The circumstances of Ratlam are however somewhat exceptional. The land is particularly fertile for any kind of crop, and cotton production has reached a high level in the State, the Ratlam cotton obtaining a better price in the local market than that of any other State.

(6) In the Partabgarh State the number of wells in *khalsa* areas in the State is now 1,376, of which 308 had fallen into disuse after the China trade was abolished but have been repaired since 1916, when cultivation for the Government of India began. There are 734 wells now in disrepair, all of which were probably in use when the China trade flourished. The extinction of that trade was therefore followed in a few years by the abandonment of 1,042 wells or roughly one-half of the total of 2,110 wells known to have been in existence when the trade flourished.

(7) In the Indore State the Committee was informed—although definite figures have not been placed on the record—that in the Sawyer pargana, in which poppy cultivation has altogether ceased, 50 per cent. of the area at one time under poppy has relapsed into dry land.

(8) In the Jhalawar State the following figures were obtained relating to the year 1905-6, when production for the China trade was at its height, the year 1915-16, when production reached its lowest point, and the year 1926-27:—

Year	Acres under poppy	Acres under irrigation.	Number of wells	Acres irrigated per well
1905-6 . . .	3,51	9,08	5,054	1.12
1915-16 . . .	715	5,129	4,053	2.00
1926-27 . . .	2,145	9,703	4,634	2.00

It appears from these figures that after the China trade was stopped nearly 50 per cent. of the wells were abandoned. But the irrigated area decreased by only 10 per cent., presumably because the crops substituted for the poppy required less intensive watering. Each surviving well thus commanded a bigger area than before; and it appears that this change is permanent, because the subsequent re-introduction of poppy cultivation did not affect the average area commanded by each well but merely added to the irrigated area.

and number of wells approximately the acreage and wells required for the revived poppy cultivation.

(9) In Kotah, a State which does not produce opium for Government but is still producing for export to other States, it so happens that the 2nd Settlement was introduced in 1906-07 before the closing down of the China trade, and the 3rd Settlement is now nearly completed. The 2nd Settlement was carried out by Mr. (now Sir Harcourt) Butler, who recorded the opinion at that time that if poppy cultivation were to be abandoned the average rate for well irrigation throughout the State would require to be reduced by about Rs. 2-8 per acre, from Rs. 11-8 to Rs. 9-1. (The assessment rates are noticeably moderate in Kotah compared with those of many other States.) The Kotah Darbar claimed in our discussions that if poppy cultivation were to be abandoned now, one-third of the total irrigated area in the State would revert to dry crops, and the irrigated rates on the remaining two-thirds would require reduction by Rs. 2-8 per acre, according to Sir Harcourt Butler's estimate. The loss was accordingly calculated by the Darbar to be Rs. 2,12,727, the figure shown (with a cautionary note) in column 3 of Appendix 6 to this Report. An actual comparison of figures of the 2nd and 3rd Settlements (excluding two Nizamats in which the 3rd Settlement is not yet completed) shows:—

	1906-07	1926-27.	Decrease.
			Per cent.
Area under poppy in acres (these figures are for the whole State.)	22,814	8,863	61
Irrigated area in acres	42,578	42,115	1
Number of wells . . .	15,623	14,968	4
Assessment on irrigated lands	Rs. 4,96,037	Rs. 4,78,942	3.4
Average rate of assess- ment per acre on irriga- ted lands.	11-10-5	11-5-9	Rs. 0-4-8 per acre.

These figures do not seem to support either the forecast of loss in irrigation assessment made in 1906-7 or the supposition that the abandonment of poppy cultivation now would cause one-third of the irrigated area to revert to dry crop. But a more detailed analysis shows that in regard at least to the reversion of irrigated land to dry crop the result may be serious. This may be inferred by comparing the figures of three divisions of the State, of which

Division I (8 Nizamats) has retained poppy cultivation,

Division II (5 Nizamats) has partially retained it,

Division III (4 Nizamats +2 for which figures are not yet available) has lost it altogether.

The following figures compare the result of the 3rd Settlement with that of the 2nd in the 17 Nizamats for which figures of the 3rd Settlement are available.—

Division	Increase or decrease of irrigated area	Decrease in number of wells	Reduction in irrigation rate per acre
	Per cent	Per cent	A R
I	+3.9	1	4 2
II	-7.7	10.8	7 1
III	-20.4	20	7 11

It seems clear that the abandonment of poppy cultivation has had a marked effect in reducing the number of wells and the irrigated area in Division III, but the assessment even in this Division has been reduced by only 8 annas per acre.

(10) An official forecast report of the Settlement of the Manpur pargana, a portion of British territory near Mhow in which the poppy was previously grown but is now prohibited, gives the following figures —

	Acres under poppy	Acres irrigated	Number of wells	Acres irrigated per well
At previous Settlement	165	237	96	2.4
1926-27	0	90	71	1.2

W. . . . . : . . . . . poppy, a great decrease in . . . . . in the number of wells—  
n . . . . . war figures quoted above.

It is possible that the proximity of Mhow in this case has provided the well owner with a market for vegetables, etc., which, grown in small plots, have kept the greater number of wells from falling into disuse. The poppy has thus perhaps in this rather exceptional instance been replaced by crops requiring less land or more intensive watering.

(11) The two instances last quoted show the difficulty of drawing general conclusions without local knowledge and detailed study of the statistics. But the facts given above, taken as a whole and drawn as they are from a large number of States, seem to justify the following broad generalizations —

(I) At the time of the China trade most poppy producing States placed a very high assessment either upon poppy lands specifically or, on account of the great value of the poppy crop, upon irrigated lands generally. The crop was therefore of special value both to the producing cultivator and to the rent-receiving Darbar.

(II) The closing down of the China trade caused a high percentage of wells to be abandoned, a good deal of land to revert to dry crop, and a loss to the Darbars of the special poppy cess, where it was imposed, or alternatively a reduction of irrigated rates in new Settlements as well as much loss of irrigated assessment in lands that reverted to dry crops. It is evident therefore that the poppy was not easily replaced at that time by other irrigated crops and that its discontinuance caused much loss to the cultivators and the Darbars.

(III) It seems certain that the discontinuance of poppy cultivation now would cause some losses to the cultivators and Darbars and the reversion of some irrigated lands to dry crops. But the losses and the disuse of wells would probably be less marked than they were, or were expected to be, a decade ago. The poppy, in other words, has not the same pre-eminent position now that it had before. In some States the rents have been adjusted to ordinary irrigated crops. In others, where the adjustment has not yet been effected, the reduction of rates required by the absence of poppy cultivation will be less severe than was formerly the case. From the cultivator's point of view some advance has been made in finding other irrigated crops to replace the poppy. That further advance is necessary, and that considerable difficulties have still to be overcome, are conclusions already suggested in the agricultural Section of this Report. It is also shown there that from the point of view of the agriculturist it is the last and not the first step that brings the most loss. It is not improbable that the abolition of the last twenty acres of poppy cultivation will do more to upset the economic system of a village than the loss of the previous eighty.

**35. Incidence of loss upon State revenues.**—The incidence of net loss upon the total State revenues varies greatly in different States. The loss would be entirely disastrous to the revenues of two States and would be serious in the case of at least four more:—

State.	Estimated net loss.	Percentage of net decrease in State revenues.
	Rs.	
Sitamau . . . . .	64,579	23·8
Partabgarh . . . . .	1,00,981	19·1
Jhalawar . . . . .	65,785	8·0
Piploda . . . . .	9,396	7·8
Jaora . . . . .	83,875	7·0
Ratlam . . . . .	40,950	5·3
<b>TOTAL</b> .	<b>3,65,566</b>	

It is the smaller States that will suffer most, and it is of course the smaller States, with their predominantly agricultural populations and restricted sources of revenue, that will least be able to make good the losses. We have discovered in the course of our discussions no obvious means of expanding existing sources of revenue or of finding additional sources. In Partabgarh and Jaora, two typical States and the only two of which we have detailed revenue figures, land revenue accounts for 56 per cent of the total combined income. This will be adversely affected by abandoning poppy cultivation. Customs receipts account for 17 per cent. The customs duties, although indispensable to the budgets of most States, are probably a form of taxation that would be better abolished or much restricted. We have noted in paragraph 30 above that they handicap agricultural development. Excise, the next biggest head of revenue, accounts for 8 per cent, leaving 19 per cent of the total to Forests, Stamps, Registration, Law and Justice and other miscellaneous heads, all of which are comparatively small and offer no evident prospect of expansion. With regard to Excise, it is possible that taxation on liquor could be somewhat increased and it is probable that the excise opium revenues would be much improved if cultivation were abolished and the policy of maximum revenue from minimum consumption adopted. The possibility of increasing opium taxation in the States generally is discussed in a later section of this Report. But as regards the six States in particular whose losses will be most serious, it is evident from the figures given below that this policy will have a very limited effect upon revenue. Apart from any difficulties in the way of increasing taxation, the populations are so small that even if a maximum increase were effected the gain in receipts would not be considerable. The present total opium revenue of these States is Rs 29,079, representing an average incidence of 1 anna 3 pies per head of the total population of 370 878. The incidence of opium revenue in the major provinces of British India (excluding Burma and Assam) in 1924-25 varied from 3 annas 1 pie per head in the Central Provinces to 7 pies per head in the United Provinces\*. The six States in question are not States in which consumption is naturally very high, and the populations are generally poorer than those of British India, but if we assume for the present purpose an ultimate incidence as high as 4 annas per head, the total opium revenue will then be Rs 92,719, showing an increase on the present figure of Rs 63,640. The estimated total net loss in revenue in these States from discontinuing opium production is Rs 3,65 566, so that on the average little more than one sixth of the lost revenue is likely at the most optimistic estimate to be made up by increasing opium taxation. Moreover it is probable that some ten or fifteen years at least must elapse before the maximum taxation revenue can be realized.

---

\* Memorandum on Excise Administration in India Opium 1925-26, page 51. The figures for 1925-26 are not quoted because many of them include the cost price of opium in the revenue.

**36. Losses of Jagirdars.**—In calculating the loss of land revenue likely to be caused by the extinction of poppy cultivation the loss of revenue on Jagir lands has generally been included in the figures given for the State as a whole. In the case of two States, Sitamau and Partabgarh, figures of assessment levied in Jagir lands were not available. The following extracts are reproduced from the Reports of these States.—

*Sitamau.*—“ In the losses detailed above no account has been taken of the diminution of land revenue in Jagir areas. This would amount, on the same calculation as that adopted for State lands, to Rs. 19,703, a very severe loss to the Jagirdars, whose revenues are derived almost entirely from land rents.”

*Partabgarh.*—“ The loss to the Jagirdars through reduction of rents, calculated on the same basis as for the Darbar, would be about Rs. 60,000. This figure is accepted as a rough estimate, and the Committee is impressed by the very serious reduction in Jagir revenues which the loss connotes. The Jagirdar's revenues are solely those derived from the land. He does not, like the State, obtain revenue from customs, excise, etc., and the proportionate diminution of Jagir incomes would therefore be much heavier even than that of the State revenues ”.

There is thus to be added to the figures given in Appendix 6 a total provisionally estimated at about Rs. 80,000 on account of losses to Jagirdars in these two States. It may be added in this connection that in the Jhalawar State about 22 per cent. of the poppy cultivation is in Jagir lands, and it is possible that in other States, for which figures of Jagir cultivation are not separately available, a comparatively large portion of the total estimated loss of land revenue will be borne by Jagirdars. As the extracts quoted above indicate, these losses will be particularly serious and difficult to make good.

**37. States producing for export to other States.**—Only Kotah and Tonk fall under this category. The estimated net losses to these Darbars if export ceases are shown in Appendix 6 as Rs. 2,58,000; but the figure given for the loss of land revenue in Kotah is the estimate of the Darbar and is open to question for the reasons already given in paragraph 34 (9) above. In the discussions at Kotah we were unable to agree with the Darbar's representative on the subject of the value of opium production to the State and the losses likely to be incurred if it were discontinued. The Darbar estimate the total annual loss at more than Rs. 18 lakhs, a figure which includes losses to cultivators, labourers, merchants and the Darbar. We consider this figure to be greatly exaggerated, but we failed to secure any modification of the Darbar's claim, and the section of the Kotah Report dealing with this subject records copies of correspondence in place of an agreed conclusion.

**38. Losses due to the closing of the China trade.**—Before leaving this branch of the subject it is perhaps desirable to examine the argument, which is sometimes advanced, that if the

States survived without apparent difficulty the diminution of opium production caused by the cessation of the China exports, they are not likely to be seriously affected by the final loss of the present restricted output. The effect upon the States' prosperity of the loss of the China trade is by no means easy to ascertain or to express in any statistical form. It has been obscured by a variety of factors. The losses to cultivators have probably never been ventilated beyond the boundaries of their own States, or even in some cases beyond their own fields and villages. But reasons are given above for thinking that they were most serious. The losses to merchants were undoubtedly considerable, but they are shown in no income tax returns, and they can be demonstrated to the outside investigator by little evidence beyond the bare statement (not infrequently made) that such and such a town which formerly boasted a dozen "lakhpatis," or merchants owning a lakh of capital, has now few or none. The loss of Darbars' revenues was mitigated by the fact that Government made over in 1912-13 to the producing States a share in the final realizations from China sales amounting to nearly  $1\frac{3}{4}$  crores of rupees. And a few years later the present scheme of production for Government was inaugurated. It must be remembered also that the land revenue and financial systems of most States in those days were less rigidly organized, and certainly less exposed to publicity, than those of British India. Few States, we believe, worked to a budget or published an administration report. It was thus due to the action of Government, and perhaps in part to their own elasticity, that the States' finances were not seriously disorganized by the loss of the China trade, and it was the merit or perhaps the defect of the autocratic principle of government that the losses endured by State subjects were accepted with resignation and were realized imperfectly, if at all, by the world at large.

### (iii) THE POSSIBILITY OF STOPPING OPIUM PRODUCTION IN THE STATES

**39 The attitude of the States**—The States that produce opium for an external market desire unanimously to continue production. The reasons have been detailed at length in practically all the representations by the Darbars which are recorded as accompaniments to the individual Reports. They may be summarized briefly as follows—

(1) Opium production gives to the States a source of revenue which cannot easily be replaced.

The justice of this contention is evident from the facts and figures already quoted in this Report.

(2) Opium production gives to the cultivators a source of profit which is given by no other crop.

This is more debatable ground, but for the reasons already given at length in this Report we think that the discontinuance of poppy cultivation must cause serious immediate loss to the cultivators, and that if the loss is to be made good it will be necessary to make organized provision on a large scale for propaganda, seed, markets and for



raising the general standard of cultivation, which at present is backward in most of the producing States and is much dependent upon the poppy as a staple irrigated crop.

(3) Malwa has been for centuries one of the chief opium producing tracts in India; and its prosperity is more dependent upon opium than that of any other part of India.

The former part of this argument is correct, but it is an appeal only to history and sentiment and it seems probable that if more material difficulties can be settled in a manner satisfactory to the States the sentimental aspect of the question will not be found to stand in the way. The latter part of the argument is probably correct in the light of present conditions. But if measures could be taken successfully to raise the general standard of agriculture in the States, the resulting benefit would almost certainly far outweigh the loss of the poppy as a staple crop. The application of this remedy is however beyond the generally restricted resources of the Darbars and the limited scope of the Agricultural Departments, where they exist.

(4) The measures taken in the past by the Government of India in connection with opium production in India and opium export from India justify the States in claiming a reasonable share in the future production of India as a whole.

This summarizes, in a form intentionally vague, a large body of arguments of a political and somewhat controversial character. It does not seem necessary to consider them in detail in this Report. But it has not been possible in our discussions to exclude the political aspect, and as the views held by the Darbars will influence the action they take, it is desirable to outline the arguments under this head which have been chiefly pressed and which seem to carry most weight. We reproduce the arguments without discussing their validity.

It is generally conceded by the Darbars that the abolition of China exports was a measure that was forced upon India by the pressure of outside events and that in regard to its execution the Government of India did much to assist the producing States. Nevertheless it is claimed that the losses incurred by the States on this account were severe. It is fully realized that the sacrifices of British India also in the interests of opium policy have been very great; but the sacrifices were in proportion to the previous profits, and the profits were very great because British India used her geographical position and her control of the sea ports to secure a maximum revenue from all opium, whether of the States or of British India, that was sold over-seas.

The States' losses might have been further mitigated if the States had been given a share in producing opium for the "non-China" markets outside India. The States were definitely promised by Government the opportunity of finding a footing in these markets. The promise was never made good, and the whole of this very valuable trade was reserved for the Government of India and the opium

tracts of the United Provinces. It is true that agreements were subsequently made with the chief producing States as a result of which the States obtained a generous share in the production of opium for internal consumption in India. But the argument has been advanced that these agreements were of a purely business character and are terminable at will by the Government of India. If that argument is correct, then the pledge made with regard to the non-China trade was broken without explanation or excuse. If, on the other hand, the intention of Government in making the agreements was in fact to substitute for a share in the non-China markets a share in the internal market of India as a whole, then it is fair that the settlement thus effected should be honoured at least so long as the profit accruing to Government from the non-China markets continues to be realized.

When export of opium from India has entirely ceased it is clear that a new situation will be established. The producing areas in India will then have no market except the internal demand of India and the market for medicinal exports. It is suggested that the past sacrifices of the States and the continuing importance to their prosperity of opium production entitle them to ask for a share in this market—a share which British India, the richer partner, commanding, as before, the avenues of export from the States, can well afford to concede. This concession, the Darbars believe, could be made under conditions which would fully safeguard the opium production of India from international criticism.

**40. Conditions of stopping opium production.—(1)**  
If opium production is to be discontinued altogether in the States, it seems that the following conditions must be fulfilled:—

(I) The States that produce for an external market must be compensated for loss of revenue.

It is, of course, possible for Government by a stroke of the pen to put an end to the present agreements under which the States produce opium and send it to Ghazipur. But if this were done, and no compensation were given, the finances of several States would be very seriously embarrassed, most of them would be left with a strongly felt political grievance, and they would continue to cultivate for their own internal consumption and perhaps for that of other non-producing States. To achieve the end of total abolition it is necessary to stop not only the production for Ghazipur but also that of excise opium for the States. This can be done only if, in the first place, the major producing States consent; in other words, if terms are offered which seem to them adequate. The question what compensation would be necessary is one that for obvious reasons we have been unable to discuss openly with the Darbars; the point is not included in the Committee's Terms of Reference, and to suggest that Government might be willing to pay compensation would have been to exceed our authority and might also have produced claims of a nature calculated to embarrass future negotiations. We can only suggest as a tentative basis that the States might be

offered a lump compensation equal to ten times the annual loss of revenue involved in stopping their present production. The total amount payable would then, on the figures given in Appendix 6 with the added compensation to Jagirdars suggested in paragraph 36, be about Rs. 1,10,00,000. A settlement on some such basis as this would perhaps give to the larger States, whose revenues will be less seriously affected, a disproportionate share in the total compensation paid. But it does not seem likely that these States will agree to differential treatment which places them at a disadvantage. We think that the majority of the States that produce for Government would accept the compensation suggested, coupled with the promise of agricultural assistance proposed in the next subparagraph. It is obviously doubtful whether the Kotah Darbar, whose bill for annual loss amounts to Rs. 18 lakhs, would accept the compensation of Rs. 24,30,000 payable on the proposed method of calculation. We can only hope that other negotiators might be more successful than ourselves in securing recognition of economic realities. It may be suggested also, for reasons already given at the end of paragraph 21, that the Darbar might be ill advised in relying as a negotiating counter upon the permanent retention (if they refuse reasonable compensation) of their present export trade to other States.

(II) The States that produce for an external market must be given assistance in improving agricultural conditions.

We are strongly of opinion that if poppy cultivation is prohibited compensation in kind should be given to the cultivators. Their losses will be severe; they can only be remedied by organized effort and the expenditure of money; and the Darbars in general are not able to supply or to finance the necessary organization. It is important, therefore, that this should be treated as a separate item in the compensation to be given and that it should be given not in money credited to individual State treasuries but in kind. The assistance to be given should take the form of seeds, propaganda work and advice and marketing facilities. The loss to the cultivator varies very considerably from tract to tract and it is not an easy matter to suggest the total expenditure that would be necessary. It may perhaps be estimated provisionally at a year's assessment at an average rate for irrigated lands of about Rs. 15 per acre, on 36,545 acres which are shown in column 8 of Appendix 5 (excluding Baroda and Banswara) to be the normal cultivation of the States in question. This would therefore involve additional expenditure of about Rs. 5½ lakhs. The scheme would have to be carefully worked out and it is difficult at this stage to supply detailed particulars. It may be noted however that the present poppy cultivation area, with a few exceptions, is readily accessible from centres such as Indore, Neemuch or Mandsaur. Where there are no railways, generally good motor roads are available. The staff required would be as follows:—one Deputy Director of Agriculture, three trained graduated Assistants, clerical staff, and one trained Kamdar for each State in the scheme.

It is proposed to keep the staff for three years, by which time the whole sum will be expended. The total cost of this establishment with travelling allowance and contingencies would be about Rs 75,000. If it is estimated that the total grant available amounts to some Rs 5½ lakhs, this leaves about Rs 1½ lakhs per annum for purchase of seeds, etc. The States would be asked to help as far as possible in regard to labour, transport, storage and chowkidari, etc. The Deputy Director of Agriculture would make up specific schemes for each State in consultation with the Darbar, giving complete details of expenditure for each of the three years and the actual programme for seed distribution for each tract. The actual work would come mainly under the following heads —

1 *Seed Distribution* —The chief seeds dealt with would be cotton, wheat, maize, vegetables and garden crops, sugar cane and miscellaneous.

2 *Implement Distribution* —Light iron ploughs, 'deshi' drills and 'deshi' interculturators.

3 *Well Boring* —Assistance in well boring and construction of tanks.

4 *Cattle* —Distribution of cattle.

5 *Propaganda* —Propaganda, demonstration and village to village itinerant instruction.

6 *Marketing* —Under this head, buyers would be brought in touch with producers, e.g., where good quality cotton is grown, particulars would be distributed to users in Bombay, etc. Generally big buying firms shy of the smaller Indian States and all transactions seem to pass through a chain of middlemen with the consequent reduction of prices to the grower. Probably a great deal can be done in this direction with very simple means. Of course, there is no question of guaranteeing that the growers' crops will be bought, it is only a case of advising as to means of disposal. Under this also, information would be distributed as to current market prices of staple commodities. There is no reason why the price of wheat in the smaller States should not bear some relation to the price of wheat at Karachi and other ports. The distribution of such information will probably lead to lessening the influence exercised by the present close rings of middlemen.

The scheme for agricultural assistance is open to the obvious objection that it may involve some interference with the internal administration of the States. We have reason however to believe from informal discussion, that the objection is not insuperable. In order to secure real and effective results it is evident that a centralization of effort is essential but the centralizing authority, in its relations with individual States will act only as an advising body and need not assume definite executive functions. Indents for the seed, implements and other material required may be made by the Diwan or other State official after consultation with the Deputy Director of Agriculture and in accordance with a general scheme

approved by the Darbar. With the exercise of reasonable tact it should be possible to carry out the details of the scheme without friction or loss of efficiency. If, however, the proposal on these lines should prove unacceptable to any Darbar, the fact that the offer has been made will at least have demonstrated the desire of Government to prevent agricultural loss and to deal with the question on broad lines. For reasons already given it seems unlikely that equally effective results can be achieved by the individual action of Darbars, and we think that it should be made clear that this item of compensation will be given only if a general scheme of the kind outlined above is accepted by the participating States.

(III) Suitable arrangements must be made for supplying opium to the States from the Ghazipur Factory.

Even if opium production entirely ceases in the States, it will be 9 or 10 years before the stocks of hard ball opium are exhausted. The stocks of biscuit opium will last for 3 or 4 years. No immediate arrangements will therefore be necessary for supply from the Ghazipur Factory. It will be desirable, however, to formulate certain conditions, particularly regarding price, under which Government will agree to supply, and the States to receive, Ghazipur opium. These conditions should be included in the general agreements relating to the discontinuance of cultivation and the grant of compensation. The nature of the conditions is discussed in Section IV, paragraphs 45-50 below, and it is only necessary to note here that opium must be supplied on terms which will satisfy not only the major producing States (who are the less likely to make difficulties about this, if the more important question of compensation is settled to their satisfaction) but also the States that at present produce, or are capable of producing, the opium they require for their own internal consumption. The latter States will receive no compensation for stopping cultivation, and it is important that they should not be tempted by too great a disparity in cost between their own and Ghazipur opium to resume cultivation for their own requirements. In the course of our discussions practically every State that has ever produced opium has emphatically asserted its retention of the right to produce. That right however is not likely to be exercised so long as old stocks are available at a price less than the cost of production. When the stocks are exhausted, a good many years hence, the habit of production will to some extent have lapsed and the assertion of political rights in a matter primarily economic will perhaps appear less important than it does at the present time.

(2) The suggestions made in this paragraph regarding payment of compensation to States that produce for an external market, *i.e.*, the 12 States included in Appendix 6, do not provide for the cases of Banswara and Baroda. As we have stated in paragraph 9 above, these are the only two States at present producing only for their own internal consumption that have not provisionally agreed to discontinue production. If all other States in Central India and Rajputana prohibit cultivation it seems unlikely that the Banswara

Darbar will insist upon its continuance. The case of Baroda stands on a different footing. The State has for many years assimilated its opium taxation and vend arrangements with those of the Bombay Presidency, it maintains a comparatively large opium establishment and it has invested a considerable amount of money in Factory buildings. It appears that the Baroda Darbar attach much importance to the political aspect of the opium question. There are thus serious obstacles to the discontinuance of opium production in Baroda. The question can hardly be settled by the payment of compensation—even if the Darbar were prepared to accept a settlement of this kind—without creating demands for compensation from other States in Central India and Rajputana which, like Baroda, confine production to their own needs. If the policy is adopted of concentrating in the United Provinces the production of opium for the whole of India, it is certainly not desirable that any State should stand out as an exception; but in view of the circumstances mentioned above the exception could be more easily justified in the case of Baroda than in that of any other State.

(3) We conclude this paragraph by briefly stating the advantages of the total prohibition policy:—

- (1) The chief producing States would *ex-hypothesi* be satisfied.
- (2) Their prosperity, and that of their cultivators, would in the long run be increased.
- (3) There would be no obstacle towards the consumption by the States of the old stocks of opium.
- (4) The Ghazipur Factory would no longer receive States' opium and the excessive stocks at the Factory could be quickly reduced.
- (5) Government would be free from the annual charge on account of payments for opium from the States which is no longer required.
- (6) Opium production and manufacture would be concentrated in British India and carried out under conditions most likely to satisfy international opinion.

Against these evident advantages must be set only the question of cost. The total figure suggested of Rs. 1,15,50,000 may seem to be excessive; but it is doubtful whether Government can secure a complete monopoly of opium production in India at a smaller price.

(iv) **ALTERNATIVES TO THE DISCONTINUANCE OF OPIUM PRODUCTION IN THE STATES.**

**41. Production in the States for the States.**—Should it prove impossible on financial or other grounds to secure the total discontinuance of opium production in the States, there seem to be two alternative arrangements. The first would consist in limiting production in the States to the opium required by the States. This

policy could be enforced by the Government of India by cancelling the agreements regarding production for Ghazipur and by refusing to permit export of opium into or through British India. The producing States would then be left with a total market which amounts at present to about 4,000 maunds of ball and biscuit opium together (Appendix 7, column 4). The present normal output is estimated at about 9,333 maunds of crude opium (Appendix 5, column 9) equivalent to nearly 7,000 maunds of hard opium. The total reduction in output would therefore amount to 43 per cent; and the States that produce ball opium would find their market reduced from nearly 7,000 maunds of crude opium or 5,200 maunds of hard opium to 2,200 maunds of hard opium, a reduction of nearly 58 per cent. It does not seem that a settlement on these lines will produce satisfactory results. It would indeed make the payment of compensation unnecessary. But the finances of many of the producing States would be seriously affected; the cultivators would suffer and nothing would be done to assist them; the States would be left with a strong sense of grievance; the present conditions of production would not be improved but would probably deteriorate in the absence of the standard now enforced for production for Ghazipur; and the acquiescence of the States in proposals for dealing with the old stocks, for abolishing wholesale merchants and for assimilating their taxation with that of British India would be either impossible or more difficult to secure.

#### **42. Division between the States and British India of the opium production required for India as a whole.**

—(1) The second and in our judgment the better alternative would be to allot to the producing States a definite share in the total opium demand of India as a whole. We are not in possession of exact figures regarding this demand, but Appendix VII to the Report of the Opium Department for the 11 months ending September 30, 1927, shows that the expenditure of opium from the Ghazipur Factory in the season 1926-27 amounted to 20,724 maunds at 70° consistence. The demand for Provision cakes, amounting to 8,684 maunds, must be excluded, leaving 12,040 maunds as the expenditure of excise opium for consumption in India and of medical opium and alkaloids. If to this is added the excise opium demand of the States which at present are not supplied from Ghazipur, amounting to about 4,000 maunds of hard opium or 5,400 maunds at 70°, the total demand of India excluding export of Provision opium is found on this basis to be 17,440 maunds at 70°. If half of this demand could be allotted to the producing States the production required from the States would be 8,720 maunds, a figure little short of the present estimated normal production of 9,333 maunds.

(2) But the demand of the States will not be effective until the old stocks have been absorbed. In the meantime the demand for Provision opium is decreasing yearly and the balance of stocks at Ghazipur amounts to more than 40,000 maunds and requires to be reduced. It is clear that some reduction in the quantity of opium sent by the States to Ghazipur will be desirable until the old stocks

have passed into consumption. We are not able to estimate what the extent of this reduction should be; it depends in part upon future production in British India and the extent to which that production also can be reduced. But it is evident that the States will suffer more easily a reduction in the quantities to be sent to Ghazipur if they can be assured that the reduction is temporary and that they will enjoy a definite and continuing share in the opium production of India as a whole. Moreover the reduction could be so arranged that the States financially most dependent upon opium production should retain the larger proportion of cultivation.

(3) The advantages likely to be realized by this arrangement may be briefly summarized as follows:—

- (1) Political grievances regarding opium will be removed.
- (2) Losses to the Darbars and the cultivators will be reduced to a minimum, short of payment of compensation.
- (3) It will be possible to concentrate the demand of the States upon the old stocks until they are exhausted.
- (4) It will be possible to enforce conditions regarding opium production in the States.

(4) Should a settlement be effected on these lines, it is essential that the price paid for the opium should leave to the Darbars a reasonable margin of profit (*vide* paragraph 33 above). The price should be determined on the basis of the cultivating cost in Central India and Rajputana together with a profit to the Darbars approximately the same as that obtained under present conditions.

**43. Conditions of opium production in the States under the latter alternative.**—(1) The fourth of the advantages suggested above is of great importance. In return for the concession of a share in producing opium for consumption in British India, Government could insist upon all production, manufacture and distribution being carried out under satisfactory conditions. We think that it would be possible, and it is certainly desirable, that manufacture should be carried out at Ghazipur; *i.e.*, that all opium produced in the States should be sent, as soon as it is collected from the cultivators, to the Ghazipur Factory. In that case the system in all producing States would be the same as that at present in force in the States that produce for Government, with the modification however that no rejected or excess opium would be retained by the States and with further modifications, if necessary, designed to ensure greater strictness of control.

(2) The two main objects of control are, of course, to prevent adulteration by the cultivator and to prevent the illicit retention of crude opium. As regards adulteration, the States' Opium Officers should be armed with the same powers as those of British India. Adulteration not detected in the field is likely to be detected at the Factory, in which case the price paid will be reduced or payment will be refused. It is therefore to the interest of the Darbars to take adequate steps, and we see no reason to anticipate



trouble in this matter. As regards the illicit retention of crude opium, this is a practice generally recognised as impossible to prevent entirely. But it is a practice again which directly affects the Darbar's interests, both because it reduces the Darbar's profit on deliveries to Ghazipur and because it decreases the State revenue from sales of opium in State shops. There is probably no reason to fear that crude opium retained by cultivators will ever be used as the material for smuggling on any large scale. A cultivator can retain a few tolas of opium without fear of detection by the opium officer, and he can use it for his own consumption or that of his friends without fear of the fraud coming to light. But a smuggler requiring, say, 10 seers of opium must either collect it in small quantities from a large number of cultivators, thus organizing a widely ramified conspiracy, or he must induce one or two cultivators to retain large quantities, exposing these men to great risk of detection when their output is compared with that of the rest of the village. The crude opium, again, is more difficult for a smuggler to handle and more easy to detect than hard opium owing to the stronger smell. It follows that while on the one hand an opium staff of the highest efficiency can never entirely prevent the retention of crude opium in small quantities, on the other hand an only moderately efficient staff, using ordinary safeguards, should be able to prevent smuggling, *i.e.*, the collection from cultivators and illicit export of crude opium in comparatively large quantities. The Darbars contend that opium production in the States is not in itself likely to create abuses giving any handle to international criticism; and we believe that this contention is fully justified. If licensed dealers are abolished, if stocks are confined to the State opium stored in State warehouses, and if crude opium is collected by State officers and sent to Ghazipur for manufacture, it is extremely improbable that smuggling on any large scale will result. Smugglers can, of course, buy opium from State shops, and they will continue to do so until the price is high enough to make this form of smuggling unremunerative. But that abuse is in no way connected with poppy cultivation.

(3) If the States' opium is all sent to Ghazipur for manufacture, the arrangements required for control of cultivation will be practically the same as those already prescribed in the current agreements of States that produce for Government. In a few minor points it may be desirable to tighten control. There should continue to be a Joint Opium Officer for the smaller States. That officer's duties are now confined, in practice, to the carrying out of opium weighments and the giving of general advice and assistance when called upon to do so. It seems desirable that definite executive functions should be assigned to him in regard to the inspection of poppy cultivation and the checking of areas cultivated. He should also have full power to punish suspected or proved adulteration, the use of oil or the retention of crude opium, by the refusal of a license to cultivate in the future. It is not probable that the exercise of these functions will cause friction, but it might be provided that in the event of disagreement between the Joint Opium Officer

and the Diwan in regard to certain specified matters, such as those mentioned above; an appeal should lie to the Agent to the Governor General, whose decision should be final. This proposal, we think, will probably be accepted by the Darbars concerned. As regards the States not subscribing to the Joint Opium Officer scheme (*i.e.*, Gwalior, Indore and possibly Kotah), it is desirable that the Opium Officer employed by the State should receive some period of training both in field work in the United Provinces and at the Ghazipur Factory. There should also be a definite arrangement by which the area to be cultivated with poppy in each year should be approved on behalf of Government. If further control is considered necessary, in order to satisfy international critics or for any other reason, it might be feasible to appoint an officer of Government with powers limited only to inspection and advice, somewhat following the analogy of the Inspecting Officers of Imperial Service Troops.

(4) The objection most likely to be raised by the States with regard to these proposals will be based upon the extra expense involved in sending crude opium to Ghazipur for manufacture. This difficulty will not arise until the stocks of old opium are consumed. We discuss the validity of the objection and the possible ways of meeting it in the next Section.

#### IV.—FINAL ARRANGEMENTS FOR THE SUPPLY OF OPIUM TO THE STATES FOR INTERNAL CONSUMPTION.

**44. Presumption that supply will be from Ghazipur.**—In Section II of this Report, dealing with the old stocks of opium, it is suggested that the States will obtain from the old stocks the opium they require for internal consumption, until the stocks are exhausted. The stocks of ball opium will probably last for 9 or 10 years and those of biscuit opium for 3 or 4 years. In Section III, dealing with opium production in the States, it is suggested that production will either cease altogether or that it will continue under an arrangement by which the crude opium produced in the States will all be sent to the Ghazipur Factory for manufacture. In either case, therefore, the Factory is likely to be the final source of supply to the States, after the old stocks are exhausted.

**45. Conditions of supply from Ghazipur.**—Appendix 16 contains a summary of the conditions, reproduced from paragraph III of the individual Reports, under which the States are prepared to take opium from Ghazipur when the old stocks are exhausted. Five of the major producing States (Gwalior, Indore, Jaora, Kotah and Partabgarh) as well as the States of Baroda and Banswara do not agree to take Ghazipur opium, but declare the intention of producing their own excise opium in all circumstances. We think, however, for reasons already stated, that if adequate compensation is arranged all these States except Baroda will agree to stop cultivation, and that alternatively if a sufficiently large permanent market is assured to them they will agree to produce only for

Ghazipur and to take their excise opium from Ghazipur. Other major producing States (Dewas, Junior Branch, Ratlam, Sailana, Sitamau, Piploda, Jhalawar and Tonk) are already prepared to take Ghazipur opium if a satisfactory settlement is reached on the subject of production in the States. These and the smaller producing States and the non-producing States attach to their agreement various conditions; the most important of which are discussed below.

**46. Conditions regarding cost.**—(1) The cost of Ghazipur opium must not be very much in excess of the cost at which the States can produce and manufacture for themselves. The present cost of production in the States is estimated in paragraph 13 above to be about Rs. 13 per seer, assuming the most favourable conditions. The present cost of Ghazipur opium is understood to be Rs. 23-5-0 per seer *ex-Factory* (*vide* paragraph 13 of the Opium Department Report, 1927). The difference is therefore something like Rs. 10 per seer; and it is obvious that the effect upon the States' finances of this extra cost of excise opium would be considerable. Upon an estimated consumption of about 4,000 maunds annually it would represent a total loss to the States of Rs. 16 lakhs of opium revenue every year.

(2) The question of cost has naturally assumed prominence in our discussions with the States. The Darbars argue that as opium can be produced much more cheaply by themselves it is uneconomical to go all the way to Ghazipur for their supplies, and particularly uneconomical to send from Central India and Rajputana crude opium for manufacture at Ghazipur and subsequent return to the States. It is to be noted, however, that the freight charges to and from Ghazipur would not add materially to the cost. The railway freight on crude opium sent in whole wagons from Indore to Ghazipur is less than Rs. 4 per maund. The freight on hard opium sent in whole wagons from Ghazipur to Bikaner, one of the most distant of the Rajputana States, is less than Rs. 5 per maund. The average incidence of freight charges by rail, assuming bulk consignments, would thus not exceed Rs. 10 per maund or 4 annas per seer. The reason why Ghazipur opium is more expensive than opium produced in the States is that the cost of the former includes very heavy charges on account of the cost of establishments and the interest on capital invested in buildings and in reserve stocks of opium. These causes are likely to continue in operation. On the other hand the payment by the Darbars of a somewhat higher price for Ghazipur opium than the cost of production in the States can be justified by three considerations; first, that the States are guaranteed against shortage of supplies; secondly, that the States are paying in effect for greater efficiency of control and manufacture, and that if in the alternative they were to manufacture for themselves it is possible that the conditions of manufacture imposed by international obligation might involve increased cost; thirdly, that the measures now in contemplation will enable the States to derive a higher revenue from opium taxation, so that the

extra cost of the opium can be made good and no actual loss of revenue need result.

(3) The Darbars in general recognise the force of these contentions. It will be seen from Appendix 16 that the majority of the Darbars will be satisfied if the opium is supplied at cost price, if the extra cost can be met by increased taxation, and if the cost is not "excessive" or not "greatly in excess" of that of any alternative source of supply. The interpretation of the terms in inverted commas will of course rest with the Darbars; and it is possible that some may object to paying for Ghazipur opium a price as much as Rs. 10 in excess of the cost of local production. If therefore, when the time comes, the disparity in price is as great as it is at present, some concession to the States will probably be required. This might perhaps take the form of a concession rate to the States based upon the actual expenses of purchasing and manufacturing the States' opium, but excluding expenses on account of the field establishment in the United Provinces or the buildings, staff and stocks maintained primarily for the purpose of supplying opium to British India. If the cost were thus reduced to perhaps Rs. 18 per seer, the question of price would probably not be an obstacle to the success of the scheme.

(4) We think it important that the States should have full access to the calculations fixing the cost price. This has been definitely stipulated by two Darbars, Rewa and Bharatpur, in regard to Ghazipur opium, and by the Jodhpur Darbar in regard to the opium of the "central stocks". Many others have required the assurance that the opium shall be supplied by Government or by the central authority at a price calculated so as only to cover expenses and to leave no profit. Rightly or wrongly, many Darbars appear to entertain some misgivings regarding an opium millennium in which manufacture, if not production, will be the monopoly of British India and the cost of the opium will be determined by an accounting department at Delhi or Simla. The stipulation that accounts should be shown seems to be reasonable in itself, and the concession will do much to reconcile the States to any increase of cost that may be involved.

**47. Conditions regarding quality.**—(1) Practically all the Darbars have stipulated that the opium shall be of good quality and suitable to the taste of consumers in the State. Many Darbars have expressed, in our discussions and in their replies to the Terms of Reference, apprehension that Ghazipur opium will be disliked by their consumers. We think that such apprehension will prove unjustified when put to the test. The fact seems to be that the opium eater dislikes a change, in much the same way that a smoker of Egyptian cigarettes dislikes, at the outset, a change to the cheaper American variety; but he soon becomes reconciled and generally ends by preferring the new variety when accustomed to it. The following two opinions expressed in 1922 by the late Mr. Cox, Excise Commissioner for Central India, an acknowledged

authority on the subject, are interesting. In the first he is stating the reasons why some Darbars dislike the State monopoly and auction system of retail vend, *i.e.*, the system under which opium is purchased by State agency and issued to a strictly limited number of retail licensees:—

“ In certain States of Rajputana opium still occupies much the same position in the domestic and social life of many members of the dominant caste as is occupied in European society by mild alcoholic stimulants. The rising generation is, perhaps, to some extent being educated on different lines, but there is many a middle-aged or elderly Rajput who takes his modicum of opium with the same regularity with which the English squire of fifty years ago took his glass of port, and who offers it to his guests with the same hospitality. He is as keen a connoisseur of opium as the squire was of port, and his preference for his own particular brand is as strong as that of the squire for his favourite vintage. In ceremonial gatherings opium plays much the same part as the wedding breakfast or the funeral lunch of Europe. On the other hand, its abuse is probably much less frequent than the abuse of alcoholic stimulants in Europe. In these circumstances, the view on which the provisions of the International Opium Convention are based meets with little sympathy either from the people or from their rulers.....

One outcome of this attitude is that even States which do not produce opium, and in which a State monopoly would otherwise be practicable, are unwilling to create either a State monopoly in opium, or such local monopolies as result from the system (generally in force in British India) of licensing only a limited number of shops at a considerable distance from each other. State monopoly would result in the fixation of one or two standard brands of opium which might be as repugnant to certain palates as the “caporal” of the French Government monopoly is to certain smokers of tobacco. And a local monopolist left at liberty to import or purchase his own supplies would probably force on his customers such varieties as afforded him the largest profit, regardless of the tastes of consumers. Accordingly, the systems in force provide for such competition as will compel vendors of opium to consider and to cater for the tastes of consumers. Retail vendors of opium are required to take out licenses, and endeavours are made to restrict the grant of these licenses to respectable traders. But the license fees are comparatively small, there is nothing to prevent more than one license being taken out for the same village, and a local monopoly detrimental to the convenience of the public is thus impossible.”

The passage next quoted is from a demi-official letter, addressed to the ruler of a Rajputana State, in which Mr. Cox is explaining the advantages of the State monopoly system in connection with certain draft Opium Rules forwarded to the Darbar:—

“ I fully realize the special difficulties that stand in the way of their adoption—broadly speaking, that there might be

difficulty in securing the purity of the opium imported on State account, that certain classes in.....are extremely particular about the quality of their opium,....., and that a system of State supply might thus lead to dissatisfaction. How far these difficulties are insurmountable, I do not know. They have not been experienced in Central India or in the States in Rajputana which have adopted a system of State supply.

I think it possible, from what I heard in.....in 1910, that people in.....may have more marked tastes in the matter of opium than people in Central India. On the other hand, I doubt if these tastes for particular brands of opium are very deeply-rooted. Up to the last decade of the 19th century, British provinces had always been supplied with Benares opium, which is oil-free. A failure of the crop compelled Government to obtain supplies of Malwa opium, which contains a good deal of linseed oil. There were universal complaints, the Malwa opium being described as bad, harmful to the throat and generally injurious to the health. Malwa opium continued to be supplied for two or three years, and on it being again replaced by Benares opium the latter was the subject of very much the same complaints as had been made against Malwa opium when first introduced. The fact seems to be that one is as good as the other, that every one prefers the brand to which he is accustomed, but that if he cannot get the brand he will substitute and get accustomed to the alternative brand."

(2) The progress achieved in modernizing their opium arrangements by not a few of the Rajputana States in the period since Mr. Cox wrote appears to confirm the correctness of his anticipations. The introduction of the system of State monopoly and the limitation of shops has not apparently caused difficulties or complaints. Traditional habits in regard to opium are changing (this point is more fully discussed in the next Section), and the old fashioned connoisseur has disappeared in many parts of Rajputana or been forced to adapt himself to the limitation of supply. A considerable degree of standardization has thus already been effected, and there seems to be no reason why the process should not be carried further by suitable stages and the whole of the opium consumed in the States be supplied ultimately in a standard form from the Ghazipur Factory.

(3) There would however be obvious danger if the process were hurried unduly. The change from ordinary Malwa ball opium to the standard Ghazipur opium is not likely to be difficult. We have been informed that in some States bordering upon the United Provinces consumers actually prefer the Ghazipur opium sold in the United Provinces shops to the Malwa opium sold in the State shops and are deterred from using the former only by the much greater retail sale price. Ghazipur opium is likely on the average to have a higher narcotic quality than Malwa opium owing to the absence of oil and other possible adulterants. Consequently as soon as the consumer's taste is reconciled to the absence of oil he is

authority on the subject, are interesting: In the first he is stating the reasons why some Darbars dislike the State monopoly and auction system of retail vend, *i.e.*, the system under which opium is purchased by State agency and issued to a strictly limited number of retail licensees:—

“ In certain States of Rajputana opium still occupies much the same position in the domestic and social life of many members of the dominant caste as is occupied in European society by mild alcoholic stimulants. The rising generation is, perhaps, to some extent being educated on different lines, but there is many a middle-aged or elderly Rajput who takes his modicum of opium with the same regularity with which the English squire of fifty years ago took his glass of port, and who offers it to his guests with the same hospitality. He is as keen a connoisseur of opium as the squire was of port, and his preference for his own particular brand is as strong as that of the squire for his favourite vintage. In ceremonial gatherings opium plays much the same part as the wedding breakfast or the funeral lunch of Europe. On the other hand, its abuse is probably much less frequent than the abuse of alcoholic stimulants in Europe. In these circumstances, the view on which the provisions of the International Opium Convention are based meets with little sympathy either from the people or from their rulers.....

One outcome of this attitude is that even States which do not produce opium, and in which a State monopoly would otherwise be practicable, are unwilling to create either a State monopoly in opium, or such local monopolies as result from the system (generally in force in British India) of licensing only a limited number of shops at a considerable distance from each other. State monopoly would result in the fixation of one or two standard brands of opium which might be as repugnant to certain palates as the “caporal” of the French Government monopoly is to certain smokers of tobacco. And a local monopolist left at liberty to import or purchase his own supplies would probably force on his customers such varieties as afforded him the largest profit, regardless of the tastes of consumers. Accordingly, the systems in force provide for such competition as will compel vendors of opium to consider and to cater for the tastes of consumers. Retail vendors of opium are required to take out licenses, and endeavours are made to restrict the grant of these licenses to respectable traders. But the license fees are comparatively small, there is nothing to prevent more than one license being taken out for the same village, and a local monopoly detrimental to the convenience of the public is thus impossible.”

The passage next quoted is from a demi-official letter, addressed to the ruler of a Rajputana State, in which Mr. Cox is explaining the advantages of the State monopoly system in connection with certain draft Opium Rules forwarded to the Darbar:—

“ I fully realize the special difficulties that stand in the way of their adoption—broadly speaking, that there might be

difficulty in securing the purity of the opium imported on State account, that certain classes in.....are extremely particular about the quality of their opium,....., and that a system of State supply might thus lead to dissatisfaction. How far these difficulties are insurmountable, I do not know. They have not been experienced in Central India or in the States in Rajputana which have adopted a system of State supply.

I think it possible, from what I heard in.....in 1910, that people in.....may have more marked tastes in the matter of opium than people in Central India. On the other hand, I doubt if these tastes for particular brands of opium are very deeply-rooted. Up to the last decade of the 19th century, British provinces had always been supplied with Benares opium, which is oil-free. A failure of the crop compelled Government to obtain supplies of Malwa opium, which contains a good deal of linseed oil. There were universal complaints, the Malwa opium being described as bad, harmful to the throat and generally injurious to the health. Malwa opium continued to be supplied for two or three years, and on it being again replaced by Benares opium the latter was the subject of very much the same complaints as had been made against Malwa opium when first introduced. The fact seems to be that one is as good as the other, that every one prefers the brand to which he is accustomed, but that if he cannot get the brand he will substitute and get accustomed to the alternative brand."

(2) The progress achieved in modernizing their opium arrangements by not a few of the Rajputana States in the period since Mr. Cox wrote appears to confirm the correctness of his anticipations. The introduction of the system of State monopoly and the limitation of shops has not apparently caused difficulties or complaints. Traditional habits in regard to opium are changing (this point is more fully discussed in the next Section), and the old fashioned connoisseur has disappeared in many parts of Rajputana or been forced to adapt himself to the limitation of supply. A considerable degree of standardization has thus already been effected, and there seems to be no reason why the process should not be carried further by suitable stages and the whole of the opium consumed in the States be supplied ultimately in a standard form from the Ghazipur Factory.

(3) There would however be obvious danger if the process were hurried unduly. The change from ordinary Malwa ball opium to the standard Ghazipur opium is not likely to be difficult. We have been informed that in some States bordering upon the United Provinces consumers actually prefer the Ghazipur opium sold in the United Provinces shops to the Malwa opium sold in the State shops and are deterred from using the former only by the much greater retail sale price. Ghazipur opium is likely on the average to have a higher narcotic quality than Malwa opium owing to the absence of oil and other possible adulterants. Consequently as soon as the consumer's taste is reconciled to the absence of oil he is



likely with the purer drug to get better narcotic value from the same bulk of opium and to be better satisfied. The difference however between biscuit opium and Ghazipur opium is more marked. It appears that biscuit opium not only has a very high percentage of oil but is also particularly hard; its action against the teeth gives additional pleasure to the consumer. It is possible, therefore, that the supply of opium in the biscuit form will continue to be necessary. There seems to be no reason why the Ghazipur Factory should not undertake its manufacture successfully, and it may be advantageous to experiment on a small scale, with the help perhaps of expert manufacturers borrowed from Kotah, Jhalawar or Tonk, some little time before the demand upon the Factory for this opium will materialize. Several of the Darbars that require biscuit opium have offered to test opium from the Factory by issuing it as an experiment to State shops. We have been assured by the Opium Agent that the Factory can manufacture biscuit opium in any shape or form desired by a State.

**48. Supply depôts in the States.**—If opium is supplied to the States from Ghazipur it may be desirable to maintain one or two supply depôts in Central India and Rajputana. This would reduce transit charges by enabling opium to be sent from Ghazipur to the depôts by goods train in full wagons. It would also be convenient to the States by facilitating prompt compliance with indents. Several Darbars have suggested that supply depôts will be necessary, and it should be possible to arrange for their maintenance at such centres as Indore, Neemuch or Ajmer without incurring heavy expense.

**49. Duty on excisable articles imported into the States.**—The Rewa Darbar have stipulated, as a condition of taking Ghazipur opium, that the principle of duty following consumption shall be applied to the import into the State from British India of all intoxicating drugs or Indian manufactured liquors, and that the provinces of export shall cease to levy internal duties on such drugs and liquors imported into the State. The point has been raised also by the Alwar Darbar and a reference to it is included in the Alwar Report. It has been raised by other Darbars in discussion, although not incorporated in the Reports; and we have reason to think that the grievance is strongly and widely felt. It is most noticeable in the case of *charas* and *Baluchar ganja*. Neither of these drugs can be produced in the States, and in the case of both of them the Province of export uses its position of monopoly to enforce against importing States a very heavy internal duty, so that in effect consumers in the States are paying taxation which is credited to the excise revenues of the Provinces. We are not aware of any justification for this procedure at the present time, when nearly all States have adopted excise systems similar to those of the Provinces. The Darbars suffer from the monopoly enjoyed by British India in regard to *charas* and *Baluchar ganja* and they think it reasonable to ask that this grievance should be redressed before the right of

opium production or manufacture is abandoned and a monopoly of opium supply conceded to British India.

**50. Conditions required by the Bhopal Darbar.**—As no Report is forwarded for the Bhopal State there is no entry against that State in Appendix 16. The Darbar however formulated in the course of our discussions the conditions under which the State would agree to take Ghazipur opium. They appear to be as follows:—

- (1) The old stocks in the State must be purchased by Government on the terms already noted in paragraph 20 above.
- (2) All cultivation in Malwa must be discontinued.
- (3) The opium must meet the taste of consumers in the State.
- (4) The price must not be greater than the cost of production in the State.

The Darbar nevertheless claim the right to manufacture and export *morphia*, and they reserve the right to cultivate the poppy "whenever they feel the need for doing so", with the proviso that they will not cultivate "unless obliged to do so by any action of the neighbouring States or of the Government of India." As these terms were formulated at a late stage, when exhaustive discussions had already taken place, we were unable to ascertain their exact implications. There has been no poppy cultivation in the State since the year 1915.

## V.—THE POSSIBILITY OF INCREASING OPIUM TAXATION IN THE STATES.

**51. Conditions under which the Darbars are prepared to increase taxation.**—Appendix 17 gives a summary of the conditions under which the States are prepared to increase the selling price of opium to a degree corresponding as nearly as possible with that in force in British India. The Darbars' views show a considerable degree of unanimity. They are nearly all in sympathy with the policy of maximum revenue from minimum consumption, and they are prepared to give effect to this policy provided that the enhancements of price are carried out gradually, that all neighbouring States enforce the same price, and that the Darbars are satisfied that no undue hardship will result to legitimate consumers of the drug. A few Darbars express the opinion that prices in the States can never be raised to the full level of prices in British India, on account of the comparative poverty of State subjects and the extended use of opium for legitimate and quasi-medical purposes. A few Darbars express apprehension that increased taxation upon opium may bring about the substitution of other more harmful intoxicants. The latter point has been specially emphasized in the Tonk State with reference to cocaine. The following extract is reproduced from the Tonk Report:—

"The second limitation (affecting in the Darbar's opinion the policy of maximum revenue from minimum consumption) is that

the use of opium must not be discouraged by high prices with the result that consumers take to cocaine instead.

As regards the second point the Committee is much impressed with the evidence of increased consumption of cocaine in the State. This is a habit infinitely more harmful to the individual than opium eating. The illicit traffic in cocaine is exceedingly difficult to keep in check and can only be properly prevented if international opinion enforces control in countries where cocaine is produced. The Committee fully endorses the Darbar's view that international efforts to diminish the production and use of opium in opium eating countries are worse than useless if they bring about the substitution of the cocaine habit for that of opium eating."

The stipulations summarised above are reasonable in themselves, but it is evident that progress in raising the retail sale price of opium in the States will generally be the progress of the slowest and most conservative State. It is clear, also, that the Darbars in general will not be willing to raise prices unless they are satisfied both that legitimate consumers will not be unduly penalised and that higher taxation will produce a positive increase of revenue. An attempt to gauge the possibility of increasing taxation in the States therefore involves consideration of the present standards of consumption.

**52. Opium consumption in the States.**—(1) Information regarding the various uses of opium and the methods of consumption has been furnished by most Darbars in their replies to Section II of the of Ref e. The information is not generally of a very character and we were not able in the time available to conduct a detailed investigation. The conclusions suggested upon evidence less than that furnished by the States are therefore tentative.

India. of which the complete list of States included in the populations of the Kumbi deserts of the plateau to the south of the Ganges is as follows:—  
 The information is not generally of a very character and we were not able in the time available to conduct a detailed investigation. The conclusions suggested upon evidence less than that furnished by the States are therefore tentative.

(2) *Opium*  
 in Bundelkhan  
 Central India,  
 lowest and the  
 he common in a  
 50 per cent. of  
 in the western  
 to be infrequent;  
 only two States,  
 practised, and to

The mixture  
 obtained by boiling

sometimes compounded from opium mixed with parched barley husks or the leaves of the babul and acacia trees. Smokers are said to lose their energy and health, and the use of foreign ingredients is said to make the practice more injurious.

(3) *Opium eating*.—We may distinguish the use of opium by addicts, its occasional use for ceremonial or festive purposes, its use for quasi-medicinal purposes and its use for children. The first three divisions however tend naturally to merge into each other.

(4) The habitual use of opium in large quantities is generally conceded to be undesirable. It is naturally found most frequently in the communities which chiefly practise the moderate use of opium as a mild stimulant, a preventive of illness or a form of hospitality. Addiction, or constant use in fairly large quantities, may even be a natural and not necessarily injurious development of moderate use, the opium eater's system being gradually adjusted to large doses and suffering little harm except when deprived of its accustomed stimulant. In such cases the practice is chiefly to be condemned because the opium eater has made himself the slave of an expensive habit; but the slavery, as that of all intoxicants, tends to tighten its grip and to lead in the end to definitely morbid results. "It is supposed to produce some laziness among habitual eaters" (Chhatarpur). "No remarkable physiological change is marked among the moderate consumers. Habitual consumers who take to excess do show signs of emaciation. Their number is insignificant" (Partabgarh). "The physiological effect of its regular use upon the consumer is to make him dull, slothful and inactive" (Jodhpur). "Those who use opium for intoxication are generally weak and lean" (Orchha). "It weakens the people, making them lose flesh and constipated" (Maihar). On the other hand we are informed that "the consumption of opium does not seem to produce any injurious effects" (Kota). "The physiological effects upon the consumers are not bad" (Barwani). "It is not known to produce any injurious effect on the consumers, except that it acts as a slight intoxicant" (Sitamau). "Opium according to those here who use it produces a sort of refreshing effect on their minds and also infuses energy in those used to it" (Rajgarh—this opinion evidently ignores the period of reaction between doses). "Considering the enormous number of people eating opium, the effect on the consumers is negligible. Only one case of a heavy opium eater has come to my notice. He eats 4 annas of opium, approximately five mashes, a day and can do no work without it. His age is about 64 years. As long as he has his opium he is a hard worker" (Captain Webb, Revenue Member, Tonk). On the whole it does not appear from the evidence before us that cases of excessive and morbid development of the opium eating habit are at all common, even in the Rajputana States where the habit of consumption is most widely spread. Outside Rajputana it is frequently stated that habitual consumers are decreasing in number and are chiefly old men. "The number of habitual eaters is gradually diminishing" (Chhatarpur and Dewas Junior Branch). "The drug is popular

with old people only. Its use is constantly diminishing as young and educated people do not like it " (Dhar). " No new addicts are seen " (Indore). On the other hand three Darbars (Ratlam, Banswara and Tonk) refer to the use of opium by young men as a " stimulant " or a " luxury ". (The purpose in this case is probably aphrodisiac.) From the Rajputana States there is more evidence of habitual use. " The Darbar consider about 40 per cent. of the population to be opium eaters.....cases are not unknown in which it is taken in such big doses as two tolas at a time " (Jhalawar). " There are men who take habitually twice a day a dose of opium weighing 3 tolas at a time " (Jaisalmer. But these men must spend at least Rs. 60 a month on opium. Only the comparatively wealthy could afford it, even at the present low selling rate in the State.) " It is taken sometimes upto one tola a day, but such cases are rare " (Karauli). The Jaipur Darbar estimate that 27/30 of the opium consumption in the State is due to habit and only 1/30 to marriages and entertainments. In this estimate however " habit " apparently includes the use for quasi-medicinal purposes. It is thus noticeable that while many Darbars agree that the policy of reducing consumption would be beneficial, and some evidence is produced of excessive development of the habit, there is little evidence of acute moral, mental or physiological disorder resulting from extreme indulgence. Indeed the evidence on the whole points the other way. The extreme addict may be dull, slothful, lean and constipated, but he remains (for all evidence to the contrary) a tolerably good citizen and even, so long as he gets his opium, a good worker.

(5) The use of opium on ceremonial and festive occasions is still common in Central India and Rajputana. It is then generally drunk in a liquid form known as *kasumba*. This practice, in Rajput communities especially, plays an important part in the celebration of betrothals, marriages, funerals, religious festivals and reconciliations; in Rajput States it finds a place in the ceremonials of Darbars. Eight States in Central India specifically mention the practice, two record that it is now disappearing, in four it is stated that no such ceremonial use of opium exists. It is still practically universal in the States of Rajputana, the only recorded exception being the predominantly Jat State of Bharatpur. On such occasions " the opium beverage is freely circulated all round, and to refuse to take a sip of opium juice from the hand of the host is deemed bad manners, if not as a positive sign of ill will and hostility. People who are not addicted to the opium freely indulge in this beverage on such occasions, and opium from 4 to 10 tolas is easily consumed in a gathering of 50 persons. The total quantity consumed waxes large when Rajputs, Charans and other landed zamindars congregate together on such occasions, as they are reported to be able to stand large dose of opium " (Bikaner). This custom may do something to encourage the use of opium, but it is perhaps more properly regarded as the outcome and symbol of the widespread habits of a community, thus taking the part played by

pan, tobacco, wine or spirits in social and ceremonial observances elsewhere. Even in Rajputana the practice is probably on the decrease, partly because the convivial use of opium in the community generally is diminishing and partly because it must, like many customs peculiar to self-contained communities, give way in the end before the advance of 'civilization' and wider contact with the outside world. If the custom should disappear for this reason, or if opium is taxed out of common consumption, the place of *hasumba* will probably be filled in part by country spirit, some form of hemp drug, or "foreign" liquor, Indian or European, according to the means and social position of the consumer and to the kind of stimulant that happens to be substituted in popular use.

(6) The quasi-medicinal use of opium is wide spread and undoubtedly valuable. It is used by "old, weak and asthmatic people" (Ali-Rajpur), by "weak and sick persons, especially in the cold season" (Karauli), by old people, "as it is supposed to make them fit for sustained work and remove depression" (Narsinghgarh), "as a preventive of certain diseases of old age" (Bharatpur), "to relieve the ailments of cough and rheumatism and to counteract the adverse effect of injurious water" (Baraundha), "to revive fainting nature, to relieve pain and soothe nervous trouble" (Mewar). "It is used by the old and imbecile as a tonic. It is also prescribed as a sedative towards cure internally as well as externally in different ailments. Men, women and children alike take opium" (Kota). "Its use increases to some extent during an epidemic" (Nagod). In Narsinghgarh it is used "to avoid the effect of a damp climate", in Rajgarh, Karauli and Alwar its use is said to increase in the winter, and the Jaipur Darbar record that "in Rajputana it is said that the climate requires the use of opium medically" opinions which seem to indicate that opium is commonly regarded as a safeguard against all kinds of climatic severity. "Opium is used as a panacea for all ills. It is eaten extensively for curing colds, coughs, fever, etc. It is taken internally and plastered on the body to ease gout and rheumatism. It appears to be the universal poor man's medicine. The cultivators whose staple foods are jowar, makka, vegetables and oil eat it to remove the effects of a continuous diet of these foods, they cannot afford expensive commodities and opium is their substitute, which is inexpensive and helps them digest an otherwise monotonous dietary. The oil extracted from the opium seeds is extensively used for coughs" (Tonk). "It is taken before food" (Jaora). It is "used externally for alleviating pain" (Bundi). Opium in fact is very widely used as a help to endure fatigue and exposure, particularly by the old and infirm whom necessity compels to keep at work, as a means of warding off disease, and as a remedy for pain and sickness by all classes of the community. Its value to those who are not within reach of medical help and suffer from accidental injury or painful disease must be immense. The common belief in the sovereign properties of opium may contain an element of superstition, but its efficacy in relieving pain and giving endurance against fatigue

and exposure is, we believe, fully supported by medical authority. In many States there is little or no provision for medical help within reach of the greater part of the population. The loss of opium as an easily found remedy against pain, disease and exposure would be a real calamity. A considerable increase in price might be severely felt.

(7) The majority of States record that opium is used extensively for children. Some however state that the practice is rare or is decreasing. It is commonly given to babies in pills containing very small doses, in order to keep them quiet while teething or while their mothers are at work. "It is given to children after covering with ashes, so as to minimise the bitter taste" (Narsingharh). "It is rubbed on sandstone and then given mixed in milk or water" (Jaisalmer). "To most of the children it is administered upto the age of 3 years as a preventive against disease and also to send them to sleep while their mothers are at work. In fine, it is to them almost their mother's milk" (Kotah). "Formerly in Malwa it was customary to give opium to children of tender age. But now this practice is abandoned to a great extent. To begin with opium is administered to children as much as a poppy seed. With the growth of the child the quantity of opium is also increased, and opium is given every morning and evening in the quantity of a 'mung' seed. When the child becomes 4 or 5 years of age the use of opium for him is discontinued. Women born and residing in Malwa consider the use of opium for children good and beneficial. The reason is that the children under its influence sleep well and cry little. Generally the labouring classes administer opium to their children; because the children being intoxicated with opium do not give much trouble" (Jaora). "Children are given it from the age of 2 months to 2 years.....but there appear to be no serious after effects and the children and people in Tonk are in the main healthy" (Tonk). It is given "from 3 months to 3 years" (Baraundha); "until weaned" (Bikaner and Partabgarh). Most Darbars deprecate this use of opium. It is probable that high prices would have some effect in discouraging it, not so much by placing the remedy out of reach of the cultivator's pocket, since the quantity required is infinitesimal, but because a decrease in the general consumption of opium and its absence from the ordinary stock of household remedies would tend to make indulgence in the practice less easy. But it is not likely to disappear until more advanced views of infant hygiene become general among the poorer classes.

(8) There is evidence that opium is commonly administered to cattle, especially in Rajputana. "It is administered as a curative drug to cattle and horses" (Ali Rajpur); "to elephants for medicinal purposes" (Samthar); "to horses and bullocks when they get tired during a journey. It gives them a fresh start" (Sirohi). "Most of the people in Jaisalmer are camel and cattle breeders and they use opium medicinally—internally and externally—in certain ailments of their live stock" (Jaisalmer). "It is used as a

medicine for cattle and horses" (Kotah) "Opium is freely given to draught cattle, bullocks, camels and horses, as well as to cows, calves and buffaloes. For horses it is used as embrocation for massage and rubbing their chests with and it is given to bullocks and camels when they are out of condition and as a restorative against fatigue. Opium up to one tola is given to camels after long or forced marches (Bikaner). A State representative on the Committee had himself seen a team of bullocks ploughing a long field against time. When the bullocks reached the end of the field, after each double row, they were given a ball of opium mixed with ghee to keep them going. The use of opium for cattle probably accounts in part for the very high consumption in Bikaner and Jaisalmer. In these and some other States an increase in the cost price might affect the cattle owner's pocket appreciably.

**53 Conditions likely to limit the policy of high taxation**—(1) Most intoxicants in general use have three classes of consumers, a small class that consumes very seldom, and for reasons of a medical kind, a large class that consumes frequently but in moderation, for reasons partly social and partly epicurean, and a much smaller class that consumes to excess, by reason of uncontrollable habit. The third class develops for the most part out of the second, and the prohibitionist and the advocate of high prices and minimum consumption believe that the second class should be sacrificed, wholly or partly, in the interests mainly of the third. The policy they advocate does not usually affect the interests of the first class of entirely legitimate consumers. The use of opium in the States may be classified on the same lines, but it is evident that in this case the number of consumers in the first class is very large and that the enforcement of a policy of restriction must affect their interests to a considerable and perhaps an undomiable extent. It is arguable also that the number of consumers in the third class is comparatively small. A further difficulty in enforcing a policy of restriction in the States lies in the fact that opium may be replaced by other drugs which in the capacity of anodyne or tonic are less efficacious but as intoxicants are much more harmful. In some parts of Rajputana, as for instance in the Jaisalmer State, opium is practically the only intoxicant in common use. Villages scattered in the desert are not easily subject to excise organisation and control. If the price of opium in the States is raised to a high level and imports restricted it is likely that illicit imports of charas or cocaine will be stimulated. Finally the general standard of living is lower in many States than in British India. There are fewer large towns, wages are lower, and the enforcement of high prices for excisable articles is more severely felt.

(2) There are thus, in many of the States and particularly in Rajputana, arguable grounds both for a standard of opium consumption much higher than that contemplated by the League of Nations, and for the enforcement of lower prices than those of British India. It follows that the stipulation made by many Darsbars that the raising of price "must not cause undue hardship to



legitimate consumers" has some justification, when viewed in the light of present social and economic conditions, and is likely in its operation to retard progress towards the goal of equalized prices. As we have pointed out, progress in general will be that of the slowest State, and the Darbars that have most concern for their legitimate consumers will to a large extent dictate the policy of their neighbours.

(3) A second retarding influence will in some cases be that of finance. The Darbars are not inclined to pursue a policy of increased taxation unless it shows a definite gain in revenue; and this consideration is likely to govern every stage of increase. It is true that the policy of "maximum revenue from minimum consumption" has secured in British India a very general and striking increase in the provincial excise revenues from opium. Between 1912-13 and 1924-25 the total revenue of the Provinces under this head rose from Rs. 1,80.60 lakhs to Rs. 269.19 lakhs, an increase of 49 per cent.\* But in estimating the real increase allowance must be made for the general rise in prices since the war. The price level in Bombay in 1927, as compared with 1914, was 156.† The rise in prices in India as a whole has perhaps been smaller, but it is clear that if the war and the consequent depreciation of the value of money had not intervened the real increase in the provincial realizations from opium would have been much less than 49 per cent. The present opium revenue in the 51 States visited by the Committee is estimated at Rs. 25,06,468 and the present consumption at 1,35,759 seers (Appendix 7), giving a present average taxation per seer of about Rs. 18. In the four surrounding Provinces of Bombay, the United Provinces, the Punjab and the Central Provinces the average taxation per seer has risen from Rs. 24 in 1912-13 (representing more than Rs. 24 in present values) to Rs. 81 in 1924-25. The States, therefore, have a longer way to go before taxation can be equalized with that of surrounding Provinces than that traversed by the Provinces themselves since 1912; and the law of decreasing returns may be expected to operate sooner in the comparatively poor populations of some States than in British India. There is evidence of this in a few States in Bundelkhand in which opium taxation is already high. The following figures show that these States, with a lower selling price, have a smaller consumption per head than British India—

<i>States.</i>					Retail sale price.	Consumption per 1,000.
					Rs.	Rs.
Orchha	.	.	.	.	100	6.0
Panna	.	.	.	.	90—100	4.4
Charkhari	.	.	.	.	70—80	17.8
Bijawar	.	.	.	.	80	10.0

\* The figures here and below re the Memorandum on Excise Admi  
† India in 1926-27, page 111.

Briti are taken from  
I, m—1925-26.

# Provinces (1925-26).

Retail sale price.	Consumption per 1,000.
(not known, but probably above Rs 100)	15 0
120	4 8
80-120	18 0
80-280	23 0

Bombay  
United Provinces  
Punjab  
Central Provinces

(These, however, are States in which the opium habit is not strongly developed, so that the figures do not necessarily serve as a guide to taxable capacity in Rajputana.

(4) There are thus two obstacles in the way of raising prices in the States to the full level of British India; the first, that Darbars may be unwilling to penalize by very high prices consumption which they consider legitimate; the second, that very high prices may result in positive loss of revenue

**54. Possible results.**—If, however, the final goal of equalized selling rates of opium in the States and in British India appears to be distant and difficult to achieve, there is good reason to anticipate at least considerable advance in the future. In a large part of Rajputana and in the western States of Central India progress is hampered at present by conditions in the State and the absence of any taxation has hitherto prevented neighbouring Darbars from taxing opium at even moderately high rates, owing to the fear of illicit imports from Mewar. If the stocks in Mewar can be bought up and placed under control, that Darbar will impose taxation, and a general advance will be possible. The present opium revenue of the States varies from 4 pies per head of population in Mewar to 14 annas 1 pie in Jaisalmer. The average for all the 50 States (excluding Baroda) is 2 annas 1 pie. The taxation per head in the United Provinces in 1924-25 was 7 pies, in the Bombay Presidency 2 annas 3 pies, in the Punjab 2 annas 4 pies and in the Central Provinces 3 annas 1 pie. In comparing the States' figures with those of British India it is necessary to make allowance for the fact that in some States the present sales of excise opium are inflated by purchase of opium for smuggling. The real consumption of the population of these States is probably somewhat smaller than the figures in column 4 of Appendix 7 indicate; and the taxation actually paid by consuming State subjects is correspondingly smaller than that shown in column 7. In so far, again, as the States' populations are poorer than those of British India, they are likely to have a smaller taxable capacity. But against this must be set the facts that the States' populations have in general a stronger habit of opium consumption, that in some States intoxicants are less easily procured, and that the use of opium for medicinal and veterinary purposes is generally greater, than in British India. Taking all these factors into consideration it is not impossible (assuming the most favourable result) that

the present taxation revenue of 2 annas 1 pie per head may be doubled eventually. The total opium revenues would then rise from Rs. 25 to Rs. 50 odd lakhs. The present average consumption per 10,000 of population in the 50 States is 71·2 seers. In the United Provinces in 1924-25 it was 5 seers, in the Bombay Presidency 16 seers, in the Punjab 16 seers and in the Central Provinces 23 seers. If it be assumed that higher taxation in the States might reduce consumption by about 50 per cent. to 35 seers per 10,000 the total annual consumption would then be 66,690 seers, giving a taxation revenue per seer (on an assumed total revenue of Rs. 50 lakhs) of Rs. 75. This is not far short of the taxation imposed per seer in British India. In other words, if the premisses are true that the taxable capacity for opium of State subjects is fairly high and that consumption will remain high, in comparison with British India, in spite of high taxation, (although reduced to half the present figure), then there is a reasonable prospect that the selling price of opium in the States will ultimately approximate to that of British India. The premisses are of course extremely hypothetical. The issue depends chiefly upon the readiness of the Rajputana Darbars to increase taxation, and the capacity of their subjects to retain a comparatively high standard of consumption in spite of increased taxation. If the second condition is not fulfilled it is probable, for reasons stated in the preceding paragraph, that the Darbars will prefer to retain a low scale of taxation rather than to force a drastic decrease in consumption upon their subjects and to incur possible loss of revenue themselves.

## VI.—SMUGGLING.

**55. Smuggling into the States.**—It is probable that there is little smuggling of opium into State territory because it is far more profitable to the smuggler to take it into British India or to the sea-ports. There may however be local smuggling, generally on a small scale, from a State in which the price of opium is low to a State in which it is higher. The Jaipur Darbar estimate that consumption in the State would increase by 60 maunds if smuggling from adjacent States were prevented; if the estimate is correct the State loses Rs. 48,000 annually of opium revenue from this cause. The Shahpura State has supplied figures showing that consumption is smaller in the parts of the State bordering on Mewar than elsewhere. It is probable that all the States adjacent to Mewar will benefit to some extent if the stocks in Mewar are brought under control.

**56. Smuggling from the States.**—Little information of real value has been obtained under this head, and indeed it was hardly to be expected in view of the composition and procedure of the Committee. Information received from the Darbars regarding the steps taken to prevent smuggling has been recorded in the accompaniments to the individual Reports. The State excise and police staffs are not as a general rule sufficiently numerous or well paid to

be able to cope successfully with the problem. If the old stocks can be brought under control a most important preventive step will have been achieved. But smuggling cannot be finally prevented so long as the price of opium in the States remains comparatively low and the smuggler can obtain supplies from State shops. The States themselves could however give valuable assistance by "rationing" the shops, i.e., by fixing a normal demand for each shop based upon the consumption of the population it serves, and by enforcing strict inquiry into cases in which the ration is much exceeded, in addition to surveillance and checking of shop accounts by the excise staff at all times. A few Darbars have taken steps in this direction already.

At the present time smuggling is a trade bringing in enormous profits, supplied with much raw material ready to hand, and financed by "big money" in the back ground. It may be hoped that as the raw material decreases and becomes less accessible the trade will contract, its risks will increase, the principals will gradually be frightened out and the bribery and demoralization of police, excise and railway staffs will diminish. A healthier tone will be established in the public generally and the detection of smuggling will become easier. The impetus of the movement will thus be reversed, the motto "*vires acquirit eundo*" hitherto flaunted upon the contrabandist flag will belong more appropriately to the forces of law and order.

---

## VII—SUMMARY

**57. Possible results.**—If the suggestions made in this Report are found possible to carry out, the opium arrangements in the States will, we venture to think, be placed within a few years upon a satisfactory basis. The stocks of opium will be removed from the hands of dealers and private persons, and will be lodged entirely in State or Government warehouses. All transactions will be carried out under the State monopoly system through the medium of State officials. Production will either be confined to British India or be shared between British India and the States under arrangements which should leave no reasonable ground for international criticism. The way will be clear for a general increase in opium taxation in the States within the limits imposed by their particular social and economic conditions. The prosperity of the States should suffer no serious diminution. Political controversy on the subject of opium should disappear with the evolution of a settlement of opium problems at once economically satisfactory to the States and conforming with the international obligations of the Indian Empire.

J A POPE  
G S HENDERSON  
AZIZUDDIN AHMED



## APPENDIX 1.

*List of States and their representations on the Opium Committee, and the permanent Members of the Committee.*

State.	Representative.
1. Baroda . . . . .	Rao Bahadur Govindbhai Hathibhai Desai, B.A., LL.B., Naib Diwan.
2. Gwalior . . . . .	Rao Sahib L. B. Mulye, Member for Education.

## STATES IN CENTRAL INDIA.

3. Ajaigarh . . . . .	Thakur Sukhdeo Singh, Diwan.
4. Ali-Rajpur . . . . .	Khan Sahib Sorabji Cowasji Dotiwala, Diwan.
5. Baoni . . . . .	Pirzada Mohammad Hasan, B.A., LL.B., Chief Secretary.
6. Baraundha . . . . .	Saiyed Abdul Mabud, Diwan.
7. Barwani . . . . .	Khan Sahib Meherjibhoy Hormusji, Judicial Minister.
8. Bhopal . . . . .	Khan Bahadur Mohammad Hasan Khan, Secretary in the Finance Department.
9. Bijawar . . . . .	Qazi Amiruddin Ahmad, B.A., Diwan.
10. Charkhari . . . . .	Diwan Bahadur Munshi Raushan Lal, B.A., Diwan.
11. Chhatarpur . . . . .	Rai Bahadur Pandit Sukhdeo Behari Misra, B.A., Diwan.
12. Datia . . . . .	Babu Bishan Dass Chopra, B.A., LL.B., Superintendent of Customs and Excise.
13. Dewas Senior Branch . . . . .	Mankari Raghunath Parashram Tipnis.
14. Dewas Junior Branch . . . . .	Mr. T. N. Roy, M.A., LL.B. (at the earliest meetings). Mr. K. Subba Rao, B.A. (at the final meeting).
15. Dhar . . . . .	Rao Bahadur K. Nadkar, Diwan.
16. Indore . . . . .	Muntazim Bahadur Lala Nehal Chand, M.A., Member for Abkari.
17. Jaora . . . . .	Pandit Amarnath Katju, B.Sc., LL.B., Revenue Secretary.
18. Jhabua . . . . .	Pandit Mankameshwarnath, Superintendent of Offices.
19. Khilchipur . . . . .	Sahibzada Azizur Rahim Khan, Diwan.
20. Maihar . . . . .	Mr. N. N. Majumdar, M.Sc., B.L., Diwan.
21. Nagod . . . . .	Rai Sahib Babu Chheda Lalji Sachiva Ratna, Diwan.
22. Narsinghgarh . . . . .	Rao Sahib Pandit Nagesh Abaji Kathavate, Judicial Member.
23. Orchha . . . . .	Khan Bahadur Syed Asgar Ali, Madar-ul-Moham.
24. Panna . . . . .	Mr. Morarji Anandji Tana, B.A., LL.B., Diwan.

## State.

## Representative.

STATES IN CENTRAL INDIA—*contd.*

25. Rajgarh	. . .	Khan Sahib Syed Shaukat Ali, B.A., Diwan.
26. Ratlam	. . .	Rai Bahadur Pandit Brijmohan Nath Zutshi, O. B. E., Diwan.
27. Rewa	. . .	Rao Sahib Pancholy Keshri Singh, Industries Commissioner.
28. Sailana	. . .	Rai Bahadur Pandit Raj Kishan Kaul, Diwan.
29. Samthar	. . .	Kunwar Sujan Singh, Diwan.
30. Sitamau	. . .	Mr. Motilal Himmatlal Avashia, B.A., LL.B., Diwan.
31. Piploda	. . .	Mr. Brijlal Sharma, Revenue Officer.

## STATES IN RAJPUTANA.

32. Alwar	. . .	Rai Bahadur B. Sardar Singh, M.B.E., Revenue Minister.
33. Banswara	. . .	Mr. Zalim Singh Kothari, Diwan.
34. Bharatpur	. . .	Pandit Maya Shankar, Nazim.
35. Bikaner	. . .	Sir Manubhai Nandshankar Mehta, Kt., C.S.I., Prime Minister.
36. Bundi	. . .	Mr. N. Bhattacharya, M.A., Prime Minister.
37. Dholpur	. . .	Rai Bahadur Munshi Kunj Behari Lal, Reve- nue Secretary.
38. Dungarpur	. . .	Rai Sahib Pandit Kishen Nand Joshi, Diwan.
39. Jaipur	. . .	Khan Bahadur Maulvi Muhammad Ashfaq. Hasan Khan, Member of the State Council for P.W.D., Trade and Excise.
40. Jaisalmer	. . .	Rao Bahadur Murarji Raoji Sapat, Diwan.
41. Jhalawar	. . .	Lieut.-Colonel R. A. E. Benn, C.I.E., Chief Minister.
42. Jodhpur	. . .	Mr. D. L. Drake-Brockman, C.I.E., I.C.S., Revenue Member.
43. Karauli	. . .	Rao Sahib Pandit Shankar Nath, Chief Mem- ber.
44. Kishengarh	. . .	Rao Bahadur Roop Singh Powar, Judicial Member.
45. Kotah	. . .	Major-General Ap. Onkar Singh, C.I.E., Mem- ber of the Mehkmakhas.
46. Mewar	. . .	Mr. C. G. Chenevix Trench, I.C.S., Revenue and Settlement Officer.
47. Partabgarh	. . .	Mr. Dhanjishah Dinshah Mehta, I.S.O., Diwan.
48. Shahpura	. . .	Babu Raghunath Singh, District Magistrate.
49. Sirohi	. . .	Rajya Ratan Mr. Sadashiv Ram N. Mehta, Chief Minister.
50. Tonk	. . .	Captain W. F. Webb, I.A., Revenue Member.
51. Kushalgarh	. . .	Rao Bahadur D. B. Kaveeshwar, Kamdar.

## PERMANENT MEMBERS OF THE COMMITTEE.

- Mr. J. A. Pope, I.C.S., Excise Commissioner in Central India and Adviser on  
Opium Affairs for Central India and Rajputana. (President).
- Mr. G. S. Henderson, N. D. A., N. D. D., Imperial Agriculturist, Pusa.
- Khan Bahadur Qazi Azizuddin Ahmed, C.I.E., O.B.E., I.S.O., Diwan of  
Datia State.

## APPENDIX 2.

*Tour of the Opium Committee.*

Date.	Place of halt.	States met.
November, 16th to December, 5th.	Indore . . .	Indore and Dewas J. B.
December, 6th . . .	Sailana . . .	Sailana.
" 7th to 9th . . .	Sitamau . . .	Sitamau.
" 10th to 12th . . .	Partabgarh . . .	Partabgarh.
" 13th to 15th . . .	Jaora . . .	Jaora.
" 16th . . .	Neemuch . . .	For discussion with Joint Opium Officer, Malwa States.
" 17th to 21st . . .	Udaipur . . .	Mewar.
January, 4th to 7th . . .	Gwalior . . .	Gwalior.
" 8th to 14th . . .	Agra . . .	Dholpur.
" 15th to 17th . . .	Alwar . . .	Alwar.
" 18th to 20th . . .	Jaipur . . .	Jaipur.
" 21st . . .	Ajmer . . .	For discussion with the Superintendent of Excise, Ajmer-Marwara.
" 22nd and 23rd . . .	Kishangarh . . .	Kishangarh.
" 24th to 26th . . .	Bikaner . . .	Bikaner.
" 27th . . .	Jaipur . . .	Jaipur.
" 28th to 31st . . .	Tonk . . .	Tonk.
February, 1st and 2nd . . .	Bundi . . .	Bundi.
" 3rd to 6th . . .	Ratlam . . .	Ratlam, Sailana and Piploda.
" 7th to 10th . . .	Jhalrapatan . . .	Jhalawar.
" 11th to 14th . . .	Kotah . . .	Kotah.
" 15th to 18th . . .	Baroda . . .	Baroda.
" 19th to March, 1st . . .	Indore . . .	Barwani and Dewas S B.
March, 2nd . . .	Dhar . . .	Dhar.
" 3rd to 7th . . .	Indore . . .	Rajgarh, Narsinggarh, Khilchipur, Dewas S B. and Dewas J. B.
" 8th to 11th . . .	Bhopal . . .	Bhopal
" 12th to 14th . . .	Satna . . .	Rewa, Mathar, Nagod and Baraundha
" 15th to 20th . . .	Nowgong . . .	Orchha, Datia, Samthar, Panna, Charkhari, Ajagarh, Bijawar, Baoni and Chatarpur.
" 21st to 24th . . .	Jodhpur . . .	Jodhpur
" 25th to April, 3rd . . .	Mount Abu . . .	Banswara, Dungarpur, Jaisalmer, Karauli, Bharatpur, Sirohi, Shahpura and Kushalgarh
April, 4th . . .	Dohad . . .	Jhabua and Ali Rajpur.
" 5th to 13th . . .	Indore . . .	Rajgarh, Narsinggarh and Khilchipur
" 14th and 15th . . .	Kotah . . .	Kotah
" 16th . . .	Indore . . .	Banswara



## APPENDIX 3.

*Map showing the Tour of the Opium Committee in the States of  
Central India, Rajputana, Gwalior and Baroda.*

(Not printed.)

## APPENDIX 4.

*Statement showing stocks of opium in maunds in possession of merchants and Darbars in the States of Central India and Rajputana, Gwalior and Baroda.*

(NOTE—Stocks in possession of Darbars not exceeding one year's consumption of the State have generally been ignored)

State.  1	BALL OPIUM			BISCUIT OPIUM			Total of ball and biscuit opium  8
	With merchants 2	Darbars 3	Total 4	With merchants 5	Darbars 6	Total 7	
Gwalior	943	326	1 169		—		1 169
Baroda		1,236	1 236				1 236
Indore		560	560	—			560
Dewas (Senior Branch)		39	39			—	39
Dewas (Junior Branch)		20	20				20
Jaora	295	45	340				340
Ratlam	102	19	121				121
Sitamau	12	8	20				20
Sallana	4	20	24				24
Dhar	135	77	212				212
Dhopai	539		539				539
Rajgarh		59	59			—	59
Narsinghgarh		131	131				131
Danawara		292	292			—	292
Dundi				36	10	46	46
Dungarpur		59	59			—	59
Jhalawar	256		256	297		297	553
Kerauli		12	12		11	11	23
Kotah	872		872	8 351		8 351	9 223
Mewar	17 000		17 000				17 000
Partabgarh		15	15				15
Tonk	242		242	356		356	598
<b>TOTAL</b>	<b>20 400</b>	<b>2 803</b>	<b>23 203</b>	<b>6 040</b>	<b>11</b>	<b>6 051</b>	<b>29 254</b>

## APPENDIX 5.

*Statement showing production of opium in the States of Central India, Rajputana, Gwalior and Baroda.*

State.	Production in 1926-27.		ESTIMATED FUTURE NORMAL PRODUCTION.					
			FOR GOVERNMENT.		FOR CONSUMPTION IN THE STATES.		TOTAL.	
	Area.	Outturn.	Area.	Outturn.	Area.	Outturn.	Area.	Outturn.
1	2	3	4	5	6	7	8	9
	Acres.	Maunds.	Acres.	Maunds.	Acres.	Maunds.	Acres.	Maunds.
Gwalior	10,007	2,000	9,000	2,500	..	..	9,000	2,500
Kotah	8,863	3,093	..	..	1,150	(a)350	8,000	2,590
Indore	3,770	1,173	3,400	850	7,450	(b)2,240	3,400	850
Parthagarh	2,811	844	2,320	580	..	..	2,320	580
Jaora	2,780	722	3,000	750	..	..	3,000	750
Sitamau	2,203	543	2,000	580	..	..	2,000	580
Jhalawar	2,140	582	2,300	460	..	..	2,300	460
Mewar	(c)2,000	(c)500	..	..	(d)	..	..	..
Tonk	1,901	415	700	145	500	95	2,100	381
Ratlam	1,168	319	1,500	(f)300	840	141	1,500	300
Dungarpur	450	21	..	..	(g)221	30	221	30
Baroda	424	50	..	..	..	..	..	..
Dewas J. B.	416	90	675	135	..	..	675	135
Sailana	397	85	375	75	..	..	375	75
Piploda	330	103	375	75	..	..	375	75
Rajgarh	270	56	..	..	(h)	..	..	..
Banswara	216	42	..	..	100	(i)18	100	18
Karauli	132	34	..	..	(h)	..	..	..
Dhar	78	17	..	..	(h)	..	..	..
Narsinggarh	75	20	..	..	(h)	..	..	..
Shahpura	15	1	..	..	(h)	..	..	..
Dewas S. B.	2	1	..	..	(h)	..	..	..
Kushalgarh	2	1	..	..	(h)	..	..	..
Bundi	(j)	(j)	..	..	(d)	..	..	..
<b>TOTAL</b>	<b>41,228</b>	<b>11,630</b>	<b>26,545</b>	<b>6,450</b>	<b>10,321</b>	<b>2,893</b>	<b>30,866</b>	<b>9,333</b>
Ball Opium	..	..	..	..	2,031	502	..	..
Biscuit Opium	..	..	..	..	8,290	2,381	..	..

(a) Represents 260 maunds of hard ball opium annually exported (figures of 1926-27) requiring 1,150 acres

(b) Represents 1,558 maunds of hard biscuit opium annually exported and 110 maunds of hard biscuit opium, the annual consumption in the State, requiring 7,450 acres.

(c) Estimated acreage and produce; exact figures are not available.

(d) Cultivation now prohibited.

(e) The cultivation and production of the Tonk State are estimated as follows:—

For Government 700 acres in Nimbahera producing 145 Mds.

For ball opium 560 acres in Chhabra producing 95 Mds.

For biscuit opium 840 acres in Chhabra producing 141 Mds.

The figures of cultivation and production in Chhabra are based on the average of the last 5 years.

(f) The agreement with Government provides for production of 350 maunds, but the actual outturn has always been less.

(g) The actual consumption in the Baroda State, on the average of the last 5 years, is 177 maunds annually of hard opium, equal to 236 maunds of crude opium, and requiring 1,360 acres. But owing to the presence of a large reserve of 1,236 maunds in the Darbar's possession, cultivation has been reduced recently and has averaged 221 acres in the last 3 years, giving an average output of 39 maunds.

(h) The Darbar have agreed, subject to certain conditions, to prohibit cultivation.

(i) Estimated output of 100 acres, to which the Darbar have agreed to restrict cultivation.

(j) No figures available.

## Statement showing the effect upon the States' revenues of abandoning poppy cultivation.

State.	ESTIMATED ANNUAL LOSS TO STATE REVENUES, IF POPPY CULTIVATION WERE ABANDONED, ON ACCOUNT OF					ESTIMATED ANNUAL GAIN TO STATE REVENUES, IF POPPY CULTIVATION WERE ABANDONED, ON ACCOUNT OF				Net annual loss to State revenues, if poppy cultivation were abandoned (Column a minus Column b)	Total present annual revenue of the State.	Percentage of column 10 on column 11.
	Profit on sale of opium to Government	Land revenue	Crown duties	Other revenues	Total	Reduction in revenue from estate opium.	Gain in revenue from estate opium.	Total.				
1	2	3	4	5	6	7	8	9	10	11	12	
Gwalior	3,00,000	(a) 12,727	14,050	..	3,14,050	33,018	15,000	48,018	2,66,032	1,69,49,500	1.2	
Indore	1,02,000	41,600	(b) 1,897	..	2,47,780	5,500	(c) 25,223	25,223	2,42,552	42,68,154	5.6	
Tartabgarh	58,000	44,648	4,375	..	1,07,021	5,400	35,000	40,500	1,08,100	1,80,50,818	0.3	
Jajpur	90,000	12,800	1,900	..	91,000	6,025	2,400	8,025	1,00,981	5,27,069	10.1	
Sitamarhi	59,450	18,847	2,157	(d) 981	75,298	9,750	938	10,688	88,875	12,00,000	7.0	
Jhalawar	55,200	18,847	897	(e) 1,882	76,816	5,271	5,760	11,031	65,784	2,71,180	23.8	
Tonk { (f)	12,295	2,240	2,520	..	17,055	2,145	5,448	7,593	9,462	8,22,335	8.0	
Rathum	36,000	4,480	12,010	(g) 985	18,084	2,375	(h) 25,448	2,419	15,636	23,06,592	4	
Dewas, Junior Branch	5,400	9,000	1,000	(i) 600	16,000	2,675	2,675	5,050	40,050	7,08,000	5.3	
Salaspur	9,037	4,500	..	(j) 500	10,537	1,694	1,500	3,194	7,308	6,32,595	1.4	
Epiloda	10,156	..	100	..	10,256	937	774	2,211	8,529	3,61,723	2.4	
TOTAL	7,38,438	3,50,840	81,905	17,484	11,88,567	72,371	98,016	1,70,387	10,18,180	4,13,62,750	2.5	
TOTAL FOR CULTIVATION FOR GOVERNMENT.	7,38,438	1,33,633	27,239	3,343	9,02,708	79,871	70,340	1,49,711	7,50,992	(k) 93,70,000	2.1	
TOTAL FOR CULTIVATION FOR EXPORT TO OTHER STATES.	..	2,17,207	54,516	14,141	2,85,864	..	27,076	27,076	2,58,168	(l) 96,74,746	3.9	

(a) Darbar's estimate not accepted by the Committee as a whole

(b) Average of last 5 years, vide Appendix VI on page 8 of Appendices to Kotah Darbar's printed note accompanying the Kotah Report

(c) Wholesale dealers' fees, condonations and fines, average of last 5 years, vide as above.

(d) Taxation at Rs. 14-0 per seer on 43 mounds 35 seers at present untaxed—vide paragraph IV of Kotah Report

(e) Municipal tax.

(f) Fines and confiscations.

(g) Figures relating to cultivation in Nimbhara for Government.

(h) Figures relating to cultivation in Chhabra for export to other States.

(i) License fees.

(j) This item was omitted by oversight from the calculation in paragraph II of the Kotah Report

(k) The revenue of the Tonk State is included in both these figures.

## APPENDIX 7.

*Opium consumption and taxation in the States.*

(Columns 5—8 are filled in only for the States visited by the Committee.)

State.	Popula- tion.	Annual con- sump- tion in seers.	Con- sump- tion in seers per 10,000 of popu- lation.	Retail sale price.	Total revenue.	Taxa- tion per seer of con- sump- tion.	Taxation per head of popu- lation.	REMARKS.
1	2	3	4	5	6	7	8	9
				Rs.	Rs.	Rs.	Rs. A. P.	
Gwalior .	3,195,476	12,852	40.2	35 to 55	3,50,119	27	0-1-9	
CENTRAL INDIA.								
Indore .	1,107,615	8,000	72.2	45	2,71,000	34	0-3-11	
<i>Southern States and Malwa Agency.</i>								
Ratlam .	85,489	320	37.4	40	8,000	25	0-1-6	
Jaora .	85,778	320	37.3	40	9,600	30	0-1-10	
Sitamau .	26,549	26	9.8	26-10-8	313	12	0-0-2	
Sailana .	27,165	72	26.5	40	1,548	21-8	0-0-11	
Piploda .	9,766	22	22.5	26-10-8	468	12	0-0-9	
Dewas Senior	77,005	736	95.6	35 to 40	19,279	26	0-4-0	
Dewas Junior.	66,998	583	79.5	40	14,794	28	0-3-6	
Dhar .	230,333	1,780	77.2	40	48,134	27	0-3-4	
Barwani .	120,150	971	80.8	45	34,000	35	0-4-6	
Jhabua .	123,932	1,044	84.2	40	25,000	24	0-3-3	
Ali-Rajpur .	89,304	382	42.7	40	9,584	25	0-1-9	
Jobat .	18,296	163	89.0	..	..	..	..	
Kathiawara .	5,200	114	219.2	..	..	..	..	
Mathwar .	2,695	18	66.8	..	..	..	..	
Nimkhera .	3,440	98	284.8	..	..	..	..	
Ratanmal .	1,790	68	379.9	..	..	..	..	
Jamnina .	853	19	222.7	..	..	..	..	
Panth Piploda	4,406	20	45.3	..	..	..	..	
Total .	979,209	6,706	68.4	..	..	..	..	

## Opium consumption and taxation in the States—contd.

State.	Popu- lation.	Annual con- sump- tion in seers.	Con- sump- tion in seers per 10,000 of popu- lation.	Retail sale price.	Total revenue.	Taxa- tion per seer of con- sump- tion.	Taxation per head of popu- lation.	REMARKS.
1	2	3	4	5	6	7	8	9
CENTRAL INDIA —contd.				Rs.	Rs.	Rs.	Rs. & P.	
Bhopal Agency.								
Bhopal . . .	692,448	3,890	56 2	45	91,700	23	0-2-1	
Rajgarh . . .	114,972	1,578	137 3	35	28,000	15-8	0-3-11	
Narsinghgarh	101,426	1,176	115-9	35	28,797	24	0-4-6	
Khichipur . .	40,043	320	80 0	35	7,680	24	0-3-1	
Kurwai . . .	19,851	136	68 5	..	..	..	..	
Mohammadgarh	2,647	20	75-5	..	..	..	..	
Dasoda . . .	4,242	80	188-5	..	..	..	..	
Pathari . . .	3,404	27	79 3	..	..	..	..	
Total . . .	979,033	7,227	73 8	..	..	..	..	
Bundelkhand Agency.								
Orchha . . .	234,948	170	6 0	100*	10,000	59	0-0-7	* Not fixed.
Datia . . .	148,659	215	14 5	55	8,774	42	0-0-11	
Samthar . . .	33,216	191	57 5	51	7,250	38	0-3-0	
Panna . . .	197,600	86	4-4	90 to 100	6,700	77	0-0-7	
Charkhari . .	123,405	220	17-8	70 to 80	12,750	50	0-1-8	
Ajaigarh . . .	84,790	60	8 1	65*	3,150	45	0-0-7	
Bijawar . . .	111,723	112	10 0	80	5,406	48	0-0-0	
Baoni . . .	10,734	88	41 6	80†	7,027	80	0-5-8	† Nominal selling rate, apparently much ex- ceeded in practice.
Chhatarpur . .	166,549	154	9 2	70	7,400	47	0-0-3	
Sarila . . .	6,081	30	49 3	..	..	..	..	
Alipura . . .	14,580	10	6 8	..	..	..	..	
Deri . . .	4,621	25	54-1	..	..	..	..	
Bihat . . .	4,786	5	10-4	..	..	..	..	
Garaoli . . .	4,817	10	20-7	..	..	..	..	
Gaurihar . . .	9,456	20	21-0	..	..	..	..	
Bijna . . .	1,451	3	20 6	..	..	..	..	
Dhurwai . . .	1,880	8	42 5	..	..	..	..	
Tori-Fatehpur	6,580	15	22 8	..	..	..	..	
Lughast . . .	6,182	18	21-0	..	..	..	..	
Jigul . . .	3,642	6	16-4	..	..	..	..	
Nalgawan-Rebal	2,113	25	118 3	..	..	..	..	
Danka-Pahari.	1,013	Nd	Nd	..	..	..	..	
Total . . .	1,30,456	1,475	113 0	..	..	..	..	

## Opium consumption and taxation in the States—contd.

State.	Popula- tion.	Annual con- sump- tion in seers.	Con- sump- tion in seers per 10,000 of popu- lation.	Retail sale price.	Total revenue	Taxa- tion per seer of con- sump- tion.	Taxation per head of popu- lation.	REMARKS.
1	2	3	4	5	6	7	8	9
CENTRAL INDIA —contd.				Rs.	Rs.	Rs.	Rs. A. P.	
Baghelkhand Agency.								
Rewa . . .	1,401,072	928	0-0	75 to 80	51,255	58	0-0-7	
Baraundha . .	15,012	140	88-0	65	4,010	29	0-4-1	
Nagod . . .	68,166	60	7-3	80	2,073	60	0-0-8	
Malhar . . .	66,540	70	10-5	80	3,850	55	0-0-11	
Kothl . . .	20,087	60	29-8	..	..	..	..	
Sohawal . . .	38,078	80	21-1	..	..	..	..	
Jaso . . .	7,221	8	11-0	..	..	..	..	
Paldeo . . .	9,033	20	22-1	..	..	..	..	
Pahra . . .	2,183	40	125-0	..	..	..	..	
Bhalsandra . .	4,390	42	05-6	..	..	..	..	
Kamta-Rajaula	1,055	22	208-5	..	..	..	..	
Tarnon . . .	3,429	10	29-1	..	..	..	..	
Total . . .	1,038,771	1,470	8-0	..	..	..	..	
Total for Cen- tral India.	4,835,084	24,878	51-5	..	..	..	..	
RAJPUTANA.								
Mewar . . .	1,380,003	13,801*	100-0	Not fixed	3,000†	0-3-6	0-0-4	* Estimato- only; no figures available.
Dungarpur . .	189,272	1,561	82-5	33-5-4	28,192	18	0-2-5	† At present there is only a re- venue from license fees.
Banswara . . .	190,362	2,882	151-4	26-10-8	49,757	17	0-4-2	‡ Biscuit opium.
Partabgarh . .	67,114	136	20-3	26-10-8	1,300	10	0-0-4	§ Import duty.
Kushalgarh . .	29,162	187	04-1	30	2,216	12	0-1-3	
Bundi . . .	187,068	2,333†	124-7	22	7,000§	3	0-0-7	
Tonk . . .	287,898	1,200	41-7	25 to 45	23,407	21	0-1-7	
Shahpura . . .	48,130	287	59-0	27-4-0	4,000	14	0-1-4	
Karauli . . .	133,730	{ 520 520† }	77-7	26-10-8	11,235	12	0-1-4	
Kotah . . .	630,060	4,400†	69-8	30	37,914	8	0-1-0	
Jhalawar . . .	96,182	840	87-3	40	9,338	11	0-1-7	
Carried over .	3,239,011	28,667	..	..	..	..	..	

## Opium consumption and taxation in the States—concl'd

State	Popula- tion	Annual con- sump- tion in seers	Con- sump- tion in seers per 10 000 of popu- lation	Retail sale price	Total revenue	Taxa- tion per seer of con- sump- tion	Taxation per head of popu- lation	REMARKS
1	2	3	4	5	6	7	8	9
Brought forward	3 233 041	28 667		Rs	Rs	Rs	Rs & p	
RAJPUTANA— cont'd								
Jaipur	2 035 647	{ 2 760 8 280 }	30.2	45	2,23 480	20	0 1 40	Not includ- ing license fee revenue taken by Malguzars ; Discult opium.
Kishangarh	77 734	2 112	271.7	32	30 000	14	0-0 2	
Sirohi	186 639	1 600	8.7	40	41 000	20	0-3-6	
Jodhpur	1,841 642	24 917	135.3	40	18,078	17	0-3 7	
Dholpur	230 188	320	13.9	30	4 800	15	0-0 4	
Jaisalmer	67 701	8,373	1236.8	27-8-0	39 479	7	0-14 1	
Dharatpur	406 437	792	16.0	50	31 204	40	0-1-0	
Alwar	701 154	989	14.1	60	46 000	48	0-1 1	
Bikaner	659 685	20 431	309.8	39-8-0	3 88 207	17	0-0 5	
Lawa	2 330	43	183.8					
Total for Raj- putana	10 139 207	90,287	87.6					
Total for Cen- tral India and Rajputana	14 974,291	121 160	82.9					
Baroda	2 126 522	7 065	33.2	100	6 16 617	87	0-4-8	
Hyderabad	6,071,507	15 913	24.2					
Ajmer Merwara	40,271	1 200	64.6					
Administered Areas of Central In- dia and Mauipur	78 460	9.6	121.8					
GRAND TOTAL	27 441 532	164 151	59.8					4 103 rds 31 seers
Consumption of ball opium.		87 980						2 169 rds 2 seers
Consumption of discult opium.		76 163						1 004 rds 9 seers
Total for States visited by the Committee (excluding Baroda)	19 001,291	135 759	71.2		2,500 400	19	0-2 1	



## APPENDIX 8.

*Summary of conditions under which States are prepared to purchase from "central stocks" the opium required for internal consumption.*

NOTE.—The following five conditions, which are frequently repeated, are referred to in the summary below as A, B, C, D and E respectively:—

A.—The opium shall be of good quality and suitable to the taste of consumers in the State. (This condition is made by 34 States.)

B.—The authority responsible for purchasing and reselling the opium shall make no profit on the transaction. (This condition is made by 19 States.)

C.—The price at which the opium is sold to the State shall not exceed the cost of local production. (This condition is made by 9 States.)

D.—The price at which the opium is sold to the State shall not exceed the cost of any alternative source of supply, including production in the State. (This condition is made by 3 States.)

E.—The price shall be such that the extra cost compared with the present price can in the Darbar's opinion be covered by increased taxation. (This condition is made by 9 States.)

State.	Conditions.
Baroda . . . .	(Is not prepared to purchase.)
Gwalior . . . .	B. The present opium production for the Government of India shall not be seriously diminished. The Government shall concede to the States a share in the total opium production of India as a whole in proportion to the present areas cultivated with poppy.

## CENTRAL INDIA STATES.

Ajaigarh . . . .	A. E.
Ali-Rajpur . . . .	A. B.
Baoni . . . .	A. E.
Baraundha . . . .	A. E.
Barwani . . . .	A. B.
Bijawar . . . .	A. E.
Charkhari . . . .	A. E.
Chhatarpur . . . .	A. D.
Datia . . . .	A. The price shall not be excessive.
Dewas Senior Branch . . . .	A. B. The right of the State to produce opium shall be safeguarded under all conditions.
Dewas Junior Branch . . . .	The Darbar desire to continue production for the Government of India, and retain in all circumstances their inherent right of production, but will temporarily abandon production for internal consumption in order to assist the absorption of the old stocks.
Dhar . . . .	A. C. The Darbar retain the inherent right of production but will abandon production until the old stocks are consumed.

## State.

## Conditions.

CENTRAL INDIA STATES--*contd.*

Indore . . . .	The Darbar will refrain from cultivation for internal consumption provided that— (1) the States which do not produce at present, or produce in nominal quantities, shall cease producing until the old stocks are consumed; (2) the States possessing stocks shall take all reasonable measures for limiting and controlling production, distribution and sale of opium. The Government of India should be invited to take some of their supplies from the central stocks.
Jaora . . . .	(The Darbar have large stocks in hand and cannot materially assist)
Jhabua . . . .	A. B.
Khulchipur . . . .	A. B. C. The Darbar shall exercise the right of producing opium if, in their opinion, cultivation of opium in a neighbouring State is a cause of opium being smuggled into Khulchipur territory.
Mahar . . . .	A. B. E.
Nagod . . . .	A. E.
Narsinghgarh . . . .	A. B. C. The Darbar shall exercise the right of producing opium if, in their opinion, cultivation of opium in a neighbouring State is a cause of opium being smuggled into Narsinghgarh territory.
Orchha . . . .	A. E.
Panna . . . .	A. The price shall not be greatly in excess of any alternative source of supply
Rajgarh . . . .	A B C The Darbar shall exercise the right of producing opium if, in their opinion, cultivation of opium in a neighbouring State is a cause of opium being smuggled into Rajgarh territory.
Ratlam . . . .	C
Rewa . . . .	A B C The States in which the stocks are held should forego the levy of export duty on these stocks
Sailana . . . .	D The agreement to purchase from old stocks shall be limited to a definite period (e.g., 5 years) with full right reserved to the Darbar to cultivate after that period
Samthar . . . .	A B.
Sitamau . . . .	(The Darbar have large stocks in hand and cannot materially assist)
Piploda . . . .	(The consumption is only 22 seers annually)
Alwar . . . .	B D The price shall not in any case exceed Rs 15 per seer ex-godown

## APPENDIX 8.

*Summary of conditions under which States are prepared to purchase from "central stocks" the opium required for internal consumption.*

NOTE.—The following five conditions, which are frequently repeated, are referred to in the summary below as A, B, C, D and E respectively:—

- A.—The opium shall be of good quality and suitable to the taste of consumers in the State. (This condition is made by 34 States.)
- B.—The authority responsible for purchasing and reselling the opium shall make no profit on the transaction. (This condition is made by 19 States.)
- C.—The price at which the opium is sold to the State shall not exceed the cost of local production. (This condition is made by 9 States.)
- D.—The price at which the opium is sold to the State shall not exceed the cost of any alternative source of supply, including production in the State. (This condition is made by 3 States.)
- E.—The price shall be such that the extra cost compared with the present price can in the Darbar's opinion be covered by increased taxation. (This condition is made by 9 States.)

State.	Conditions.
Baroda . . . .	(Is not prepared to purchase.)
Gwalior . . . .	B. The present opium production for the Government of India shall not be seriously diminished. The Government shall concede to the States a share in the total opium production of India as a whole in proportion to the present areas cultivated with poppy.

## CENTRAL INDIA STATES.

Ajaigarh . . . .	A. E.
Ali-Rajpur . . . .	A. B.
Baoni . . . .	A. E.
Baraundha . . . .	A. E.
Barwani . . . .	A. B.
Bijawar . . . .	A. E.
Charkhari . . . .	A. E.
Chhatarpur . . . .	A. D.
Datia . . . .	A. The price shall not be excessive.
Dewas Senior Branch . . . .	A. B. The right of the State to produce opium shall be safeguarded under all conditions.
Dewas Junior Branch . . . .	The Darbar desire to continue production for the Government of India, and retain in all circumstances their inherent right of production, but will temporarily abandon production for internal consumption in order to assist the absorption of the old stocks.
Dhar . . . .	A. C. The Darbar retain the inherent right of production but will abandon production until the old stocks are consumed.

## State.

## Conditions

## CENTRAL INDIA STATES—contd

Indore	.	.	.	The Darbar will refrain from cultivation for internal consumption provided that—
				(1) the States which do not produce at present, or produce in nominal quantities, shall cease producing until the old stocks are consumed,
				(2) the States possessing stocks shall take all reasonable measures for limiting and controlling production, distribution and sale of opium
				The Government of India should be invited to take some of their supplies from the central stocks.
Jaora	.	.	.	(The Darbar have large stocks in hand and cannot materially assist)
Jhabua	.	.	.	A II
Khilchipur	.	.	.	A II C The Darbar shall exercise the right of producing opium if, in their opinion, cultivation of opium in a neighbouring State is a cause of opium being smuggled into Khilchipur territory.
Maihar	.	.	.	A B E.
Nagod	.	.	.	A E
Narsingharh	.	.	.	A B C The Darbar shall exercise the right of producing opium if, in their opinion, cultivation of opium in a neighbouring State is a cause of opium being smuggled into Narsingharh territory.
Orchha	.	.	.	A, E
Panna	.	.	.	A The price shall not be greatly in excess of any alternative source of supply
Rajgarh	.	.	.	A B C The Darbar shall exercise the right of producing opium if, in their opinion, cultivation of opium in a neighbouring State is a cause of opium being smuggled into Rajgarh territory
Ratlam	.	.	.	C
Rewa	.	.	.	A II C The States in which the stocks are held should forego the levy of export duty on those stocks
Sailana	.	.	.	D The agreement to purchase from old stocks shall be limited to a definite period (e.g., 5 years) with full right reserved to the Darbar to cultivate after that period
Samthar	.	.	.	A B
Sitamau	.	.	.	(The Darbar have large stocks in hand and cannot materially assist)
Piploda	.	.	.	(The consumption is only 200 seers annually)
Alwar	.	.	.	II D The price shall not in any case exceed Rs 15 per seer ex godown

## State.

## Conditions.

## RAJPUTANA STATES.

Banswara . . . .	A. C. The Darbar shall be furnished with an annual statement of sales and balances of stock in the central godowns. The Darbar will continue cultivation of not more than 100 acres but will use the opium so produced only after the central stocks are exhausted.
Bharatpur . . . .	A. B. The cost shall not be much in excess of any alternative source of supply.
Bikaner . . . .	A. B. The Customs or Excise duty levied on all such imports of opium shall belong to the Bikaner State.
Bundi . . . .	A. The inherent right to produce opium shall be maintained. The price shall leave an adequate margin for State taxation without unduly increasing the price of retail vend.
Dholpur . . . .	The Darbar agree to purchase from the central stocks.
Dungarpur . . . .	A. B.
Jaipur . . . .	A. B. The price shall not exceed Rs. 15 per seer ex-godown for ball opium or a price which the Darbar do not consider excessive for biscuit opium. The Darbar do not undertake to purchase ball opium for consumption in tracts which at present consume biscuit opium.
Jaisalmer . . . .	A. The cost shall not be much in excess of any alternative source of supply.
Jhalawar . . . .	The Darbar are prepared to assist the scheme generally.
Jodhpur . . . .	A. The price shall not exceed Rs. 16 per seer of biscuit opium, or if it exceeds Rs. 16, the Darbar shall be satisfied that the price is reasonable and shall be entitled to receive and criticize copies of the cost accounts.
Karauli . . . .	A. The Darbar shall be able to come to an arrangement with their opium contractor involving no loss to themselves.
Kishangarh . . . .	A. B. C.
Kotah . . . .	The Darbar will consider the question of facilitating the sale of as much of their stocks as may be necessary to the central authority. But they are in no way prepared to concede to the central stocks a prior right to the market for biscuit opium (and therefore will not purchase themselves from the central stocks).
Mewar . . . .	(The question was not definitely considered.)
Partabgarh . . . .	(The Darbar have large stocks in hand and cannot materially assist.)
Shahpura . . . .	A. B. C. Poppy cultivation shall be prohibited in the Mewar State.
Sirohi . . . .	A.
Tonk . . . .	(The question was not definitely considered.)
Kushalgarh . . . .	A. B. E. The inherent right of producing opium in the State shall be retained in all circumstances.

## REMARKS.

<i>Estimates of the cost of producing a seer of hard opium supplied by the chief opium producer</i>					
	Price paid to cultivator per seer of crude opium.	Dryage.	Interest charges.	Establishment and rent charges.	Total cost per seer of hard opium.
	Rs. A. P.	Rs. A. P.	Rs. A. P.	Rs. A. P.	Rs. A. P.
State.					
Gwalior	7 8 0	"	"	"	16 3 1
Kotah	7 8 0	"	"	"	16 0 0
Indore	"	2 0 0	"	1 0 0	13 0 0
Parbhargarh	"	"	"	"	"
Jaura	"	"	"	"	"
Sitamau	9 0 0	"	"	"	13 0 0
Jhalawar	"	"	"	"	"

No estimate supplied.

Cost to Darbar of purchasing hard biscuit opium from merchants.

Stated to be selling price of hard biscuit opium—vide figures on page 19 of printed Report. This price includes Rs. 3-5 stated to be the wholesale dealers' profit per seer on manufacture.

Vide Indore Report page 2. Rs. 9 is the cost of crude opium delivered at the Factory at Indore. No interest charges included.

No details given.

No estimate supplied.

Vide statement 19 in accompaniment to Sitamau Report. No estimate supplied.

*Estimates of the cost of producing a seer of hard opium supplied by the chief opium producing States—contd.*

State.	Price paid to cultivator per seer of crude opium.	Dryage.	Interest charges.	Establishment and rent charges.	Total cost per seer of hard opium.	REMARKS.
	Rs. A. P.	Rs. A. P.	Rs. A. P.	Rs. A. P.	Rs. A. P.	
Tonk . . . . .	6 8 0	0 13 2	..	0 4 10	Rs. A. P. { 9 4 0 7 10 0	Cost to Darbar of purchasing from merchants in the State. Cost of manufacture by Darbar. No interest or permanent establishment charges included. No details given.
Ratlam . . . . .	..	..	..	..	7 4 0	No details given.
Dungarpur . . . . .	..	..	..	..	11 7 0	No details given.
Baroda . . . . .	10 0 0	..	..	..	20 12 3	<i>Vide</i> Baroda Report pages 2—3. The total calculated cost includes interest charges for 5 years and the whole cost of Factory establishment for one year.
Dewas J. B. . . . .	..	..	..	..	13 0 0	No details given.
Sailana . . . . .	..	..	..	..	12 0 0	No details given.
Piploda . . . . .	..	..	..	..	10 0 0	No details given.
Rajgarh . . . . .	11 0 0	4 8 0	..	1 0 0	16 8 0	No details given.
Banswara . . . . .	8 0 0	..	..	..	10 12 0	No details given.
Karauli . . . . .	..	..	..	..	..	No details given.
Dhar . . . . .	10 0 0	2 8 0	1 12 0	2 12 0	17 0 0	Rs. 8 is the price paid by the opium contractor to the cultivator. No further details are available.
Narsinghgarh . . . . .	..	..	..	..	10 8 0	No details given.
Opium Committee's estimate of lowest normal cost.	7 0 0	1 12 0	1 12 0	2 8 0	13 0 0	Interest calculated at 5 per cent. for four years on Rs. 8-12-0, the initial cost of the crude opium.

# APPENDIX 10

Note on the cost of staff, labour, etc., required for purchasing hard Malwa opium

In 1927 when 412 maunds of hard opium were purchased for Government, the expenditure on purchasing staff, labour and incidental charges amounted to Rs 1,894, giving an incidence of Rs 4 9 7 per maund. The Joint Opium Officer acted as purchasing officer and received a special allowance at the rate of Rs 250 per mensem. The special allowance is included in the expenditure, but not the Joint Opium Officer's ordinary pay. In 1921, 4,390 maunds were purchased and the expenditure was Rs 22 0 98, giving an incidence of Rs 5-0-6 per maund. The expenditure however included a contribution made to the Malwa States of Rs 15,000 towards the cost of the Joint Opium Officer, who was employed as purchasing officer but whose salary during the actual period of purchasing was much less than this. If the item of Rs 15 000 is reduced to Rs 3 000, representing approximately the purchasing officer's pay during the operations, the expenditure is then Rs 10,098, giving an incidence of Rs 2-4-9 per maund.

In the purchases on a large scale now under consideration it will probably be necessary to employ a whole time purchasing officer. In the estimate given below the salary of this officer is calculated at Rs 1 200 per mensem. The scales of pay and numbers of the subordinate staff employed are estimated somewhat above those of 1927, on account of the more prolonged and extensive character of the operations and the assumption that every chest will be subjected to the morphine test. On this assumption, the establishment should be able to deal with about 30 chests in a working day or 750 chests, equal to 1,275 maunds, in a month. (In purchases where the morphine test is not applied the rate of purchase will probably be 1,000 chests or 1,700 maunds monthly.)

The monthly cost of staff, etc., may be provisionally estimated as follows —

Particulars	Amount
	Rs   A   P
Pay of Opium Purchasing officer	1,200   0   0
One Extra Assistant	250   0   0
One Head Clerk and Accountant	150   0   0
One Test Scale Clerk	125   0   0
2 Sirdars for morphine test at Rs 60 each	120   0   0
2 Sirdars for Steam Table Work at Rs 60 each (Consistence test)	60   0   0
One Sirdar for Chashni work at Rs 60 (Adulteration test)	50   0   0
One Sirdar for Chashni work at Rs 50	120   0   0
2 Weighmen at Rs 60 each	120   0   0
2 Carpenters at Rs 60 each	60   0   0
2 Watermen at Rs 1 per day each	147   8   0
5 Zilldars at Rs 29-3 each	75   0   0
2 Hammals for cutting opium balls at Rs 1-4 per day each	2 597   8   0
Carried over	

Carried over



Particulars.	Amount.		
	Rs.	A.	P.
Brought forward	2,597	8	0
2 Hammals for carrying sample boxes of opium at Re. 1-4 per day each	75	0	0
2 Hammals for putting opium into trays at Re. 1-4 per day each	75	0	0
2 Hammals for cleaning plates, sauce-pans, etc., at Re. 1-4 per day each	75	0	0
One Hammal for marking on outer gunny bags at Re. 1-4 per day	37	8	0
4 Hammals at weighing scale at Re. 1-4 per day each	150	0	0
4 Hammals at Test Scale at Re. 1-4 per day each	150	0	0
10 Hammals for packing, tying ropes and sewing outer gunny, etc., at Re. 1-4 per day each	375	0	0
Travelling Allowances of the Opium Purchasing Officer and his staff (monthly incidence of cost of journeys to and from the purchasing centre)	100	0	0
Contingencies, including chemicals, packing material, etc.	500	0	0
<b>TOTAL</b>	<b>4,135</b>	<b>0</b>	<b>0</b>

The monthly expenditure of Rs. 4,135 on the estimated purchase of 1,275 maunds gives an incidence of Rs. 3-3-11 per maund.

At the rate of 1,275 maunds per mensem the whole quantity of 20,400 maunds could be purchased in 16 months. It is possible that the staff could work up to a higher rate, when practised in the work, and thus reduce the total time required and the cost of purchasing per maund.

## APPENDIX 11.

*Note on the estimated cost of warehousing and issuing 20,400 maunds of old opium*

NOTE—It is assumed that the Mewar stocks, amounting to 17,000 maunds or 10,000 chests, will be warehoused at Neemuch and that the balance of 3,400 maunds or 2,000 chests will be stored in the Government opium godown at Indore.

At Neemuch rent will be payable for hiring godown accommodation, which is believed to be available. A guarding and issuing staff will also be necessary. At Indore there is already an issuing staff employed in connection with the arrangements under which opium is stored in the godown by a contractor and is issued by the Excise Commissioner in Central India to States requiring it. These arrangements will cease, and the present issuing staff will be available for issuing the Government opium. A guard will however be required, and provision has been made of Rs. 50 per mensem for supplementing the pay of the issuing staff or for hiring additional labour, in view of the probable increase in the issue work.

	Cost per annum.
	Rs
<i>Neemuch—</i>	
Rent of godowns at Rs. 150 per mensem	1,800
Guards—	
1 Havildar at Rs. 30 per mensem	300
2 Naiks at Rs. 24 each per mensem	576
12 Chaurkidars at Rs. 10 each per mensem	2,304
Dress allowance—	
Havildar and Naiks at Rs. 30 per annum	90
Chaurkidars at Rs. 25 per annum	300
Issuing establishment—	
Allowance to issuing officer at Rs. 200	2,400
1 clerk at Rs. 60 per mensem	720
1 weighman at Rs. 25 per mensem	300
1 carpenter at Rs. 25 per mensem	300
8 hammals at Rs. 20	1,600
Contingencies at Rs. 50 per mensem	600
Total cost for Neemuch	11,670
<i>Indore—</i>	
Guards—	
1 Havildar at Rs. 30 per mensem	360
6 Chaurkidars at Rs. 16 per mensem	1,152
Dress allowance—	
Havildar at Rs. 30 per annum	30
Chaurkidars at Rs. 25 per annum	150
Issuing establishment	600
Total cost for Indore	2,292
Packing materials and transport to station at Rs. 3 per chest on total issues from both centres of 2,000 maunds or 1,176 chests annually	3,528
TOTAL	17,490

## APPENDIX 12.

*Calculation of the recoupment of capital expenditure of Rs. 69,36,000, and the interest at 5 per cent. on annual outstanding balances, by 10 annual instalments of Rs. 8,84,000 and one instalment of Rs. 1,76,800, i.e., by issuing 2,000 maunds at Rs. 442 annually for 10 years and 400 maunds in the 11th year.*

						Rs.
1st year.—	Balance	.	.	.	.	69,36,000
	Interest	.	.	.	.	3,46,800
				TOTAL	.	72,82,800
	Receipts	.	.	.	.	8,84,000
2nd year.—	Balance	.	.	.	.	63,98,800
	Interest	.	.	.	.	3,19,940
				TOTAL	.	67,18,740
	Receipts	.	.	.	.	8,84,000
3rd year.—	Balance	.	.	.	.	58,34,740
	Interest	.	.	.	.	2,91,737
				TOTAL	.	61,26,477
	Receipts	.	.	.	.	8,84,000
4th year.—	Balance	.	.	.	.	52,42,477
	Interest	.	.	.	.	2,62,123·85
				TOTAL	.	55,04,600·85
	Receipts	.	.	.	.	8,84,000
5th year.—	Balance	.	.	.	.	46,20,600·85
	Interest	.	.	.	.	2,31,030·04
				TOTAL	.	48,51,630·89
	Receipts	.	.	.	.	8,84,000
6th year.—	Balance	.	.	.	.	39,67,630·89
	Interest	.	.	.	.	1,98,381·54
				TOTAL	.	41,66,012·43
	Receipts	.	.	.	.	8,84,000
	Balance	.	.	.	.	32,82,012·43

					Rs.
7th year.—Balance	.	.	.	.	32,82,012 43
Interest	.	.	.	.	1,64,100 62
			<b>TOTAL</b>	.	34,46,113 05
Receipts	.	.	.	.	8,84,000
8th year.—Balance	.	.	.	.	25,62,113 05
Interest	.	.	.	.	1,28,105 63
			<b>TOTAL</b>	.	26,90,218 70
Receipts	.	.	.	.	8,84,000
9th year —Balance	.	.	.	.	18,06,218 70
Interest	.	.	.	.	90,310 93
			<b>TOTAL</b>	.	18,96,529 63
Receipts	.	.	.	.	8,84,000
10th year —Balance	.	.	.	.	10,12,529 63
Interest	.	.	.	.	50,026 48
			<b>TOTAL</b>	.	10,63,156 11
Receipts	.	.	.	.	8,84,000
11th year —Balance	.	.	.	.	1,79,156 11
Interest	.	.	.	.	1,791 56 (for $\frac{1}{2}$ year)
			<b>TOTAL</b>	.	1,80,947 67
Receipts	.	.	.	.	1,76,800
Balance	.	.	.	.	4,147 67

## APPENDIX 13.

*Statement showing areas under poppy, total outturn and average yield per acre in the States of Kotah, Tonk and Jaora.*

Year.	AREA UNDER POPPY CULTIVATION IN Acres.			OUTTURN IN MAUNDS.			AVERAGE YIELD PER ACRE IN SEERS.		
	Kotah.	Tonk.	Jaora.	Kotah.	Tonk.	Jaora.	Kotah.	Tonk.	Jaora.
1917-18 . . .	6,903	4,228	..	1,072	387	..	6	3	..
1918-19 . . .	4,333	2,654	..	918	356	..	8	5	..
1919-20 . . .	8,679	4,566	..	1,394	370	..	6	3	..
1920-21 . . .	9,069	4,723	..	2,766	908	..	12	8	..
1921-22 . . .	9,760	4,010	..	2,540	728	..	10	7	..
1922-23 . . .	10,473	4,982	5,118	3,391	796	1,293	13	6	10
1923-24 . . .	8,828	4,696	4,458	2,445	836	900	11	7	8
1924-25 . . .	7,346	2,679	4,172	2,097	525	928	11	8	9
1925-26 . . .	6,927	1,702	2,412	1,810	260	339	10	6	6
1926-27 . . .	8,863	1,901	2,790	3,083	415	722	14	9	10

NOTE.—It must be noted that as the area under poppy decreases, the tendency is to confine its cultivation to the best lands, so the yield per acre naturally show an increase.

# APPENDIX 14.

A.—Statement prepared from information supplied by the Sitaman Darbar showing the present economics of a cultivator owning one plough or "Samad".

NOTE.—One plough or "Samad" can cultivate 2 acres of irrigated, and 20 acres of non irrigated land.

Particulars.	Expenses.	Outturn in Maunds.	Value of out-turn.	Net gain.	REMARKS.
	Ra.		Ra.	Ra.	
Manuring . . . . .	20	Matka . . . 21	53	162	The net gain of the cultivator at the end of the year is Rs. 162.
Lancing and extracting poppy juice .	15	Jovar . . . 36	100	..	
Weeding . . . . .	10	Cotton . . . 24	200	..	
Wheat growing . . . . .	5	Opium 15 (seers) . .	135	..	
Sowing, etc., of cotton and jowar crops	40	Poppy seed . . 4½	30	..	
Miscellaneous . . . . .	25	Wheat . . . 6	30	..	
Cost of maintaining one plough . .	150	Miscellaneous . . .	25	..	
Repairing charges of leather buckets .	10				
Land Tax { Adan 4 bighas = 2 acres .	50	TOTAL .	573		
{ Mal 40 bighas = 20 acres	50				
TOTAL .	411				

*B.—Estimates based on information supplied by the Tonk Darbar of expenditure and income of one holding worked with one pair of bullocks in Chhabra Pargana.*

Dry land 18½ acres; Wet land 1½ acres.

No.	Crop.	Cultivation.	Area in acres.	Dry or wet.	Land Revenue.	SEED.		Manure.	Sowing seed.	Ninlala (W. ed-ling).	Har-vesting, etc.	Total expenses.	ESTIMATED RETURNS.		Profit to the cultivators.
						Weight.	Price.						Weight.	Value.	
1	Kharif	Jowar	6.25	Dry	Rs. 15	Mds. Srs. 0 12	Rs. 1	Rs.	Rs.	Rs.	Rs.	Rs.	Mds.	Rs.	Rs.
2	"	Malzo	.02	"	"	0 4	1	"	"	"	10	26	29	75	49
3	"	Til	.02	"	"	0 0	"	"	"	2	1	7	3	15	8
4	"	Groundnut	.02	"	"	0 20	"	"	"	1	"	3	1	10	7
5	Rabi	Wheat	0.25	"	15	7 0	35	"	1	"	6	13	10	40	27
6	"	Gram	3.75	"	0	2 25	14	"	1	"	6	57	22	125	63
7	"	Linseed	1.25	"	3	0 0	2	"	1	"	2	27	18	60	33
8	"	Opium	.02	Wet	5	0 1	1	5	"	"	"	9	1	20	21
9	"	Dhanla	.31	"	3	0 14	1	"	"	5	10	29	<div style="display: flex; align-items: center;"> <div style="border-left: 1px solid black; padding-left: 5px; margin-right: 5px;">                     Opium 5 Srs. Rs. 50. Peppy " 100. 4 Mds. Rs. 25.                 </div> <div style="font-size: 2em;">}</div> <div style="margin-left: 5px;">75                 </div> </div>		19
10	"	Zoera	.10	"	1	0 4	1	"	"	2	1	9	2	10	31
11	"	Vegetables	.10	"	1	"	1	"	"	1	"	4	1	10	0
		TOTAL	20.01		50			61	0	13	12	184		5	1

## APPENDIX 15.

*List of crops found on irrigated land in Central India and Rajputana.*

## RABI CROPS

Wheat . . . .	<i>Triticum vulgare</i> , Villars
Barley . . . .	<i>Hordeum vulgare</i> , Linn.
Tobacco . . . .	<i>Nicotiana Tabacum</i> , Linn
Tobacco (Deshi) . . . .	<i>Nicotiana rustica</i> , Linn
Turmeric . . . .	<i>Curcuma Longa</i> , Linn
Ginger . . . .	<i>Zingibar officinale</i> , Roscoe
Arums . . . .	<i>Colocasia antiquorum</i> , Schott.
Castor . . . .	<i>Ricinus communis</i> , Linn
Carrots . . . .	<i>Daucus carota</i> , Linn
Raddish . . . .	<i>Raphanus sativus</i> , Linn
Turnips . . . .	<i>Brassica campestris</i> , Rapa, Linn.
Mint . . . .	<i>Mentha sylvestris</i> , Linn
Raj-Jira . . . .	<i>Amarantus Candatus</i> , Linn
Onions . . . .	<i>Allium Cepa</i> , Linn
Garlic . . . .	<i>Allium Sativum</i> , Linn
Mustard . . . .	<i>Brassica juncea</i> , H
Rape . . . .	<i>Brassica campestris</i> , Napus
Potatoes . . . .	<i>Solanum tuberosum</i> , Linn
Cauliflower . . . .	<i>Brassica oleracea</i> , Botrytis, Linn.
Cabbage . . . .	<i>Brassica oleracea</i> , Capitata, Linn.
Peas . . . .	<i>Pisum sativum</i> , Linn (Garden peas).
	<i>Pisum Arvense</i> , Linn (Field peas).
Field beans . . . .	
Fenugreek (Methi) . . . .	<i>Trigonella Foenum Gracum</i> , Linn.
Umbelliferae of sorts as—	
Dhania . . . .	<i>Coriandrum sativum</i> , Linn
Zira . . . .	<i>Cuminum cyminum</i> , Linn
Saunf . . . .	<i>Foeniculum vulgare</i> , Gaertn

## Kharif Crops

Jowar . . . .	<i>Sorghum vulgare</i> , Pero
Inferior Millets . . . .	<i>Panicums</i> , etc
Cotton . . . .	
Sugarcane . . . .	<i>Saccharum officinarum</i> , Linn
Brinjals . . . .	<i>Solanum melongena</i> , Linn
Bhendi . . . .	<i>Hibiscus esculentus</i> , Linn
Chillies . . . .	<i>Capsicum annum</i> , Linn
Palak . . . .	<i>Beta Benghalensis</i> , Linn
Groundnut . . . .	<i>Arachis hypogea</i> , Linn
Sweet potatoes . . . .	<i>Ipomea Batatas</i> , Lamk
Vetches . . . .	<i>Vicia</i> , etc.
Pulses of sorts . . . .	
Cucurbitaceae of sorts . . . .	
Sunn Hemp . . . .	<i>Crotalaria Juncea</i> , Linn.
Pigeon pea . . . .	<i>Cajanus indicus</i> , Spring
Lucerne . . . .	<i>Medicago sativa</i> , Linn
Miscellaneous vegetables	



## APPENDIX 16.

*Summary of conditions under which States are prepared to purchase from the Ghazipur Factory the opium required for internal consumption, after the stocks of old opium in Central India and Rajputana are exhausted.*

NOTE.—The following 5 conditions, which are frequently repeated, are referred to in the summary below as A, B, C, D and E respectively:—

A.—The opium shall be of good quality and suitable to the taste of consumers in the State. (A condition of this kind is made by 37 States.)

B.—The opium shall be supplied by Government at cost price. (This condition is made by 13 States.)

C.—The price shall be such that the margin of taxation available to the State, represented by the difference between the cost price of the opium and the warehouse rate, will not be less than the present margin of taxation. (This condition is made by 22 States.)

D.—The price shall not be excessive, or shall not be greatly in excess of the cost of any alternative source of supply. (A condition of this kind is made by 15 States.)

E.—The inherent right of the State to produce opium is retained. (This condition is made by 10 States.)

State.	Conditions.
Baroda . . . .	(Is not prepared to purchase.)
Gwalior . . . .	(Is not prepared to purchase.)
CENTRAL INDIA STATES.	
Ajaigarh . . . .	A. C.
Alirajpur . . . .	A. C.
Baoni . . . .	A. C.
Baraundha . . . .	A. C.
Barwani . . . .	A. B. C. The supply shall not involve a very large immediate increase in the cost of opium to the State.
Bijawar . . . .	A. C.
Charkhari . . . .	A. C.
Chhatarpur . . . .	The Darbar shall be treated in all respects not less favourably than any other State or Estate in Bundelkhand. Any necessary increase in price shall be restricted to the lowest possible limit.
Datia . . . .	A. D.
Dewas, Senior Branch . . . .	A. B. D. E.
Dewas, Junior Branch . . . .	B. D. The agreement shall be restricted to a specified period of years.
Dhar . . . .	The terms shall be the same as with other States. The claims of the Darbar shall be considered if any other State, which like Dhar at present has no external trade, finds a market for its opium.
Indore . . . .	(Is not prepared to purchase.)

## State.

## Conditions.

CENTRAL INDIA STATES—*contd.*

Jaora . . . . .	(Is not prepared to purchase) Claims a share in supplying the demand for excise opium of India as a whole.
Jhabua . . . . .	A C.
Khulchupur . . . . .	A B D E
Mauhar . . . . .	A B An increase in the retail selling price shall be carried out in the neighbouring States as well as in Mauhar in order to make good the increased cost price, if any
Nagod . . . . .	A C.
Narsinghgarh . . . . .	A B C E.
Orcha . . . . .	A C
Panna . . . . .	A D
Rajgarh . . . . .	A B C E
Ratlam . . . . .	A D E The Darbar desire that cultivation in the State should continue, but are ready, if cultivation ceases, to obtain the opium re- quired for internal consumption and for their Hyderabad contract from any generally approved source
Rewa . . . . .	The principle of duty following consumption shall be applied to the import into the State from British India of all intoxicating drugs or Indian manufactured liquors, and the Pro- vinces of export shall cease to levy internal duties on such drugs and liquors imported into the State  Should the cost price of Ghazipur opium be in- creased at any time, the Darbar shall be en- titled to obtain from the Government of India for their own satisfaction the facts and figures justifying the increase  There shall be no poppy cultivation in the United Provinces close to the border of the Rewa State, a border zone being left free from cultivation wide enough to prevent the possibility of illicit import of crude opium into the State
Sailana . . . . .	A D The Darbar desire that cultivation in the State should continue, but are ready, if cultivation ceases, to obtain opium required for internal consumption from any generally approved source
Samthar . . . . .	A B The price shall not be increased without special reason and shall not ordinarily exceed Rs 26 per seer
Sitamau . . . . .	A " " " " " " " " " " " "
	and to the other Darbars concerned
Piploda . . . . .	A D The State desires that cultivation in the State should continue, but is ready, if cultivation ceases, to obtain the opium re- quired for internal consumption from any generally approved source

## State.

## Conditions.

## RAJPUTANA STATES.

Alwar	.	.	.	.	A. The cost of Ghazipur opium shall not exceed Rs. 20.
Banswara	.	.	.	.	(Is not prepared to purchase.)
Bharatpur	.	.	.	.	A. B. C. The Government shall place at the Darbar's disposal, if they so desire, all accounts and other data required in order that they may satisfy themselves that the price is reasonable.
Bikaner	.	.	.	.	The Darbar are not prepared to purchase opium from Ghazipur so long as opium of suitable kind continues to be produced in Rajputana and is available for purchase at a lower price. The Darbar consider that any production in Rajputana for their supply should be carried out under the State Monopoly System, wholesale dealers being entirely abolished. Should such production cease, the State will be ready to purchase from Ghazipur if conditions A and D are fulfilled and the State does not choose to grow its own opium under State control.
Bundi	.	.	.	.	A. C. E.
Dholpur	.	.	.	.	A. D.
Dungarpur	.	.	.	.	A. B. C. D. In view of the fact that the minimum distance from Dūngarpur to a Railway Station is 65 miles and the roads are not suitable for cart traffic during the rainy season and that the State has to pay railway and cart fares, the State will, should it be absolutely necessary, resume cultivation on a very small scale, for purely medical purposes.
Jaipur	.	.	.	.	A. B. D.
Jaisalmer	.	.	.	.	A. D.
Jhalawar	.	.	.	.	A. C. The production of opium in Central India and Rajputana shall be discontinued by an arrangement agreeable to the Jhalawar Darbar and the other Darbars concerned.
Jodhpur	.	.	.	.	C. The opium shall be supplied in biscuit form of substantially the same quality, consistency and morphine content as that now in use in the State.
Karauli	.	.	.	.	A. C. E.
Kishangarh	.	.	.	.	A. D.
Kotah	.	.	.	.	(Is not prepared to purchase.)
Mewar	.	.	.	.	(Is not prepared to express an opinion at present regarding the feasibility of purchasing opium from the Ghazipur Factory.)
Partabgarh	.	.	.	.	(Is not prepared to purchase.)
Shahpura	.	.	.	.	A. B. C. E.
Sirohi	.	.	.	.	A. C.
Tonk	.	.	.	.	A. C. The production of opium in Central India and Rajputana shall be discontinued by an arrangement agreeable to the Tonk Darbar and the other Darbars concerned.
Kushalgarh	.	.	.	.	A. B. C. E.

## APPENDIX 17.

*Summary of conditions under which States are prepared to enhance the selling price of opium to a degree corresponding as nearly as possible with that in force in British India*

NOTE—The following three conditions, which are frequently repeated, are referred to in the summary below as A, B and C respectively —

A—The enhancement shall be carried out by gradual stages (This condition is made by 47 States)

B—The same price shall be enforced in all the neighbouring States (This condition is made by 47 States)

C—The enhancement shall not involve undue hardship to legitimate consumers (This condition is made by 29 States)

State	Conditions
Baroda . . .	(The taxation is already uniform with that of neighbouring British districts)
Gwalior . . .	A B.
CENTRAL INDIA STATES	
Ajmergarh . . .	A B C
Ali Rajpur . . .	A B C
Baoni . . .	A B
Beraundha . . .	A B C
Barwani . . .	A B C
Bijawar . . .	A B
Charkhari . . .	A B C
Chhatarpur . . .	A B C The Darbar consider that, in view of the lower average income of the population of the State compared with that of the United Provinces and also of the fact that the cost of living in the State is at present comparatively cheaper the retail sale price of opium in the State cannot be raised to the level in force in the United Provinces
Datia . . .	A B
Dewas, Senior Branch . . .	A B C
Dewas, Junior Branch . . .	A B C
Dhar . . .	A B C
Indore . . .	A B
Jora . . .	A B
Jhabua . . .	A B C
Kulchipur . . .	A B C The Darbar are not prepared to bind themselves to raise the selling rate of opium to the level obtaining in British India, having regard to the habits of the people and their economic condition
Mairat . . .	A B C
Nagod . . .	A B C
Narsingharh . . .	A B C The Darbar are not prepared to bind themselves to raise the selling rate of opium to the level obtaining in British India having regard to the habits of the people and their economic condition
Orchha . . .	A B
Pauna . . .	A B C

## State.

## Conditions.

CENTRAL INDIA STATES—*contd.*

Rajgarh . . . .	A. B. C. The Darbar are not prepared to bind themselves to raise the selling rate of opium to the level obtaining in British India, having regard to the habits of the people and their economic condition.
Ratlam . . . .	A. B.
Rewa . . . .	A. B. C. The enhancement of price must not seriously affect the finances of the State.
Sailana . . . .	A. B.
Samthar . . . .	A. B.
Sitamau . . . .	A. B.
Piploda . . . .	B.

## RAJPUTANA STATES.

Alwar . . . .	A. B.
Banswara . . . .	A. B. C.
Bharatpur . . . .	A. B. C. The enhancement must not bring about the substitution of other more harmful drugs for opium.
Bikaner . . . .	A. B.
Bundi . . . .	A.
Dholpur . . . .	A. B.
Dungarpur . . . .	A. B. C.
Jaipur . . . .	A. B. C. Actual experience must confirm the anticipation of financial profit to the Darbar.
Jaisalmer . . . .	A. B. C.
Jhalawar . . . .	A. B. The Darbar consider that taxation upon opium in the State cannot be increased to the level of the taxation now in force in British India without causing undue hardship to those who require the drug for legitimate purposes.
<del>Jodhpur . . . .</del>	<del>A. B. C.</del>
Karauli . . . .	A. B. C. The enhancement must not bring about the substitution of other more harmful drugs in place of opium.
Kishengarh . . . .	A. B.
Kotah . . . .	A. B. C. The use of opium must not be discouraged by high prices with the result that consumers take to other more injurious drugs instead.
Mewar . . . .	The State derives at present no revenue from duty on internal consumption and a trifling revenue only from vend fees. The Darbar are prepared to impose taxation in the shape of duty and license fees as soon as the old stocks have been placed under control, and to increase it by gradual degrees.
Partabgarh . . . .	A. B.
Shahpura . . . .	A. B. C.
Sirohi . . . .	A. B. C.
Tonk . . . .	A. B. C. The use of opium must not be discouraged by high prices with the result that consumers take to cocaine instead.
Kushalgarh . . . .	A. B. C.

## APPENDIX 18.

*Note on the methods of calculation employed in this Report, with a statement showing the relation of bigha to acre in each of the chief producing States.*

One chest of opium in Central India and Rajputana is equal to 140 lbs or 68 seers 08 chhataks. For the purpose of rough calculations one chest has generally been taken as containing 68 seers or  $1\frac{1}{3}$  maunds of opium.

2 Crude opium when collected by the cultivator varies in consistence from about 65° to about 75°. Manufactured or hard opium, as consumed in Central India and Rajputana, is generally of the consistence of 94° or 95°, but in some parts opium of somewhat lower consistence is preferred. In the calculations in this Report it is generally assumed that opium in the process of manufacture rises in consistence from 70° to 94°, thus increasing in weight. This loss by drying varies in the consistence of the opium when produced in the factory and its consistence when issued in the form of balls, biscuits or excise cakes. In Baroda it is calculated that the increase in consistence is from 75° to 90°, the loss being one-sixth. In Kotah one maund of crude opium is stated to produce 28 seers of hard biscuit opium, the loss being thus rather more than one fourth.

3 In estimating the normal annual consumption of opium in each State (Appendix 7), the average of the last five years has been taken in some cases. In others, as for instance when the retail sale price of opium has been increased within the five years, thus causing a decrease of consumption, the estimated consumption has been that of the last year, or the average annual consumption since the increase took effect. The method of calculation is therefore not uniform for all States.

4 Estimates of the normal output of crude opium per acre vary greatly in different States. When poppy cultivation diminishes in a State there is a tendency for the cultivation to be confined to the best irrigated lands, so that the normal output per acre increases. An estimate of average outturn calculated from the figures of a long period of years may thus be inaccurate. In calculations in this Report the estimate of normal outturn put forward by the Darbar has generally been accepted. The figure therefore is not uniform but varies from State to State.

5 The following table shows the relation of bigha to acre in each of the chief producing States in which the bigha is the normal unit of measurement —

Dewas, Junior Branch	.	1 acre = $1\frac{1}{2}$ bighas	
Indore	.	" 1 $\frac{1}{2}$ "	
Jaura	.	" 1 $\frac{1}{2}$ "	
Jhalawar	.	" 2 $\frac{1}{2}$ "	
✓ Kotah	.	" 2 $\frac{1}{2}$ "	
Parbhargh	.	" 2 "	approximately (1000 bighas = 516½ acres)
Piploda	.	" 1 $\frac{1}{2}$ "	
Ratlam	.	" 2 "	approximately (811 bighas = 40 acres)
Saundha	.	" 2 "	approximately (811 bighas = 40 acres)
Sitamanu	.	" 2 "	
Tonk	.	" 1 $\frac{1}{2}$ "	

## APPENDIX 19.

*Terms of reference of the Committee.*

To enquire into the following aspects of the situation in the States of Central India, Rajputana, Gwalior and Baroda:—

1.—*The present situation specially in regard to—*(1) *Agriculture.*

- (a) The extent to which poppy is cultivated in each State.
- (b) The quality and nature of the lands on which it is cultivated and the amount of irrigation required and the nature of the arrangements for such irrigation.
- (c) The liability of the yield of the crop to fluctuate owing to seasonal conditions.
- (d) The advantages or disadvantages of cultivating poppy as compared with other crops from the point of view of the cultivator.
- (e) The possibility of substituting other crops for poppy and the effect on the cultivator of such substitution.

(2) *Financial.*

- (i) The average revenue derived by the State from Opium under the following heads:—

- (a) Land revenue, distinguishing revenue from land cultivated with poppy for supply to the Government of India, that from land cultivated with poppy for supply to other States and that from land cultivated with opium for internal consumption.

- (b) Revenue other than land revenue derived from internal consumption.

- (c) Revenue other than land revenue derived from export to other States.

- (d) Revenue other than land revenue derived from sale to the Government of India.

- (e) Any other form of revenue.

- (ii) The proportion that the total revenue of all kinds from opium bears to the total revenue of the State.

- (iii) Expenditure upon the regulation and control of the cultivation, manufacture, and distribution of opium and the nature of the arrangements for such control.

- (iv) Loss of revenue to the State due to illicit practices in areas where opium is cultivated.

- (v) Loss of revenue due to smuggling of opium from outside the State.

- (vi) The present cost and selling price of opium, the possibility of gradually raising the latter and the effect upon the State's finances of such a policy.

- (vii) The present sources of supply and the possibility of meeting the demand in the first instance from stocks held in the States under consideration taken as a whole, and ultimately from Ghazipur, with special reference to the financial results of such a policy so far as these do not fall under any of the heads mentioned above.

- (viii) Effect of discontinuance of cultivation of poppy on States that cultivate only for the Government of India and what steps, if any, can be taken to meet the same.

## II.—Consumption in the State

- (i) The manner in which opium is used, the purposes for and occasions on which it is used and the extent to which it is used and, in particular, to which it is administered to children
- (ii) The forms (ball, biscuit, etc.), in which opium is used in the State
- (iii) The chemical composition of opium when prepared for consumption in the manner prevalent in the State and its physiological effects upon the consumers when so consumed
- (iv) The possibility and desirability of effecting a substantial reduction in the amount of opium consumed in the State, the means (increase of selling price or otherwise) by which this could be effected and the financial or other obstacles to such reduction in so far as these have not been dealt with under any of the heads above

III—*Stocks of opium in the State* Their quantity, by whom they are held, their value, the extent to which they are already under State control and how best they could be disposed of

IV—*Smuggling out of the State* Its causes and prevalence, the preventive agencies in existence, their present effectiveness and the possibilities of their improvement

V—*Purchase from Ghazipur* The advisability and practicability of the purchase of opium by the States from Ghazipur at cost price How far the inhabitants of the States would be prepared to consume Ghazipur opium and whether Ghazipur could produce opium suited to their taste and needs

VI—*The policy suggested by the Government of India* The advisability and practicability of adopting the policy suggested by the Government of India, namely, the discontinuance of cultivation in the States, the purchase of opium by the States from Ghazipur at cost price and the adoption by the States of the policy of maximum revenue from minimum consumption so as, ultimately, to raise the selling price to a level with that in the adjoining British districts, thereby removing the incentive to smuggling and reducing consumption

VII—*General* Any other subjects relevant to the matters mentioned above



